



COUNTY OF LOS ANGELES DEPARTMENT OF HUMAN RESOURCES

HEADQUARTERS
KENNETH HAHN HALL OF ADMINISTRATION
500 W. TEMPLE STREET, ROOM 579 • LOS ANGELES, CALIFORNIA 90012
(213) 974-2406 • FAX (213) 621-0387

BRANCH OFFICE
510 S. VERMONT AVENUE, 12TH FLOOR • LOS ANGELES, CALIFORNIA 90020
(213) 866-5846 • FAX (213) 637-0821

LISA M. GARRETT
DIRECTOR OF PERSONNEL

December 5, 2023

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

Dear Supervisors:

**APPROVAL OF A SHORT-TERM DISABILITY, LONG-TERM DISABILITY, AND
SURVIVOR BENEFIT CLAIMS THIRD-PARTY ADMINISTRATION SERVICES
CONTRACT WITH SEDGWICK CLAIMS MANAGEMENT SERVICES, INC.
(ALL DISTRICTS - 3 VOTES)**

SUBJECT

The County of Los Angeles (County) Department of Human Resources (DHR) requests the Board of Supervisors' (Board) approval and delegated authority to execute a Contract with Sedgwick Claims Management Services, Inc. (Sedgwick) to provide Short-Term Disability (STD), Long-Term Disability (LTD), and Survivor Benefit (SB) Claims Third-Party Administration Services for all eligible County employees.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Director of Personnel (Director), or designee, to execute a STD, LTD, and SB Claims Third-Party Administration Services Contract (Contract), substantially similar to Attachment A, with Sedgwick, effective upon execution through December 31, 2026, and with up to three consecutive and automatic one-year options through December 31, 2029, for a total Contract Sum not to exceed \$12,779,672 for the term of the Contract, including the optional extensions if exercised, plus expenses.
2. Delegate authority to the Director, or designee, to 1) exercise the extension options, and 2) to execute future Amendments to the Contract, as necessary, in order to a) add, delete, and/or change terms and conditions required by the Board and/or the Chief Executive Office (CEO), and to maintain compliance with County policy and Federal, State and local laws, rules, and regulations; b) reallocate the components comprising the Total Contract Sum; c) align the Contract with County standards and needs, including but not limited to business workflows, protocols, and policies; and d) reduce the scope of services and the Total Contract Sum.

To Enrich Lives Through Effective and Caring Service

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

27 December 5, 2023

CELIA ZAVALA
EXECUTIVE OFFICER

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The County has contracted with a third-party administrator since 1987 to process employee LTD and SB claims, and since 1991 to process STD claims for “MegaFlex” employees. The current contract for these services is with Sedgwick and expires on December 31, 2023. Approval of the recommended Contract will enable the County to contract with Sedgwick to provide continued and uninterrupted claims administration services for over 114,300 County employees.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommended actions support the County’s Strategic Plan, Strategy III.3, “Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability,” by ensuring the most cost-effective, efficient, and timely provision of disability benefits to County employees.

FISCAL IMPACT/FINANCING

Under the recommended Contract, Sedgwick will be paid fixed annual fees for the entire term, for a Total Contract Sum of \$12,779,672, as detailed in Attachment B. These fixed annual fees include all costs incurred by Sedgwick in processing claims, but do not include pass-through expenses (Expenses) for services provided by third-party vendors, such as independent medical examinations/functional capacity evaluations, vocational evaluations, special investigation unit services, physician advisory services/peer reviews, and second/third-opinion evaluations. The County will reimburse Sedgwick for any incurred Expenses over \$350 per claim, with Sedgwick absorbing all incurred Expenses \$350 or less per claim.

Under the current contract, the fixed annual fee for the contract year 2023 is \$1,967,976, and the estimated Expenses are \$271,339 for a total contract year cost of approximately \$2,239,315. The first-year 2024 fixed annual cost for the new Contract will be \$2,046,696. Including estimated Expenses of \$271,339, based on the contract year 2023 Expenses, the total contract cost for 2024 is estimated to be \$2,318,035.

Funding for this Contract will be included in the fiscal year’s budget for each contract year. The costs for these services are partially offset by monthly premiums paid by eligible plan participants through payroll deduction.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

County Counsel reviewed and approved the Request for Proposal (RFP) prior to release and provided legal counsel throughout the solicitation and negotiation process. County Counsel has approved the Contract (Attachment A) as to form.

The recommended Contract includes all County-required provisions. CEO Risk Management Branch has reviewed and approved the insurance and indemnification provisions in the recommended Contract as to form.

The department has evaluated and determined that this is not a Proposition A Contract and therefore the Living Wage Program (County Code Section 2.121) does not apply to the recommended Contract.

CONTRACTING PROCESS

On March 15, 2023, DHR issued an RFP for STD, LTD, and SB Claims Third-Party Administrative Services. DHR posted the RFP on the County's Contracting website. DHR also notified five vendors identified as third-party claim administrators. Proposals were due on April 25, 2023, and only one proposal was received. The proposal was from Sedgwick, who is also the current contractor. An evaluation committee of representatives from CEO and DHR evaluated Sedgwick's proposal using the informed averaging process and found Sedgwick to be a responsive and responsible proposer. Based on the favorable evaluation results and positive feedback from the evaluators, DHR is recommending that Sedgwick be awarded the proposed Contract. Upon the Board's approval, the Director, or designee, will execute a Contract with Sedgwick substantially similar to Attachment A.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will allow DHR to continue obtaining uninterrupted STD, LTD, and SB Claims Third-Party Administration Services to County employees.

CONCLUSION

Upon approval by the Board, please return three (3) adopted copies of this Board letter to DHR. It is requested that the Executive Officer notify DHR's Administrative Services Division at (213) 219-2204 when the documents are available.

Respectfully Submitted,



LISA M. GARRETT
Director of Personnel

LMG:PAM:MGM
RZ:MA:AS

Attachments (2)

c: Executive Office, Board of Supervisors
County Counsel
Chief Executive Office



CONTRACT BY AND BETWEEN

COUNTY OF LOS ANGELES

AND

SEDGWICK CLAIMS MANAGEMENT SERVICES, INC.

FOR

**SHORT-TERM DISABILITY, LONG-TERM DISABILITY, AND
SURVIVOR BENEFIT CLAIMS THIRD-PARTY ADMINISTRATION
SERVICES**

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STANDARD EXHIBITS

- A** Statement of Work and Attachments
- B** Pricing Schedule
- C** Intentionally Omitted
- D** County's Administration
- E** Contractor's Administration
- F** Form(s) Required at the Time of Contract Execution
- G** Safely Surrendered Baby Law

UNIQUE EXHIBITS

INFORMATION SECURITY AND PRIVACY REQUIREMENTS

- H** Information Security and Privacy Requirements

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

This Contract ("Contract") made and entered into this ____ day of _____, 20__ by and between the County of Los Angeles, hereinafter referred to as "County" and Sedgwick Claims Management Services, Inc., hereinafter referred to as "Contractor." The Contractor is located at 8125 Sedgwick Way, Memphis, Tennessee 38125.

RECITALS

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

WHEREAS, the County may contract with private businesses for such services when certain requirements are met; and

WHEREAS, the Contractor is a private firm specializing in providing third-party short-term disability, long-term disability, and survivor benefits and 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;

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

1 APPLICABLE DOCUMENTS

Exhibits A through H 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 will be resolved by giving precedence first to the terms and conditions of the Contract and then to the Exhibits according to the following priority.

Standard Exhibits:

Exhibit A	Statement of Work and Attachments
Exhibit B	Pricing Schedule
Exhibit C	Intentionally Omitted
Exhibit D	County's Administration
Exhibit E	Contractor's Administration
Exhibit F	Forms Required at the Time of Contract Execution
Exhibit G	Safely Surrendered Baby Law

Unique Exhibits:

Information Security and Privacy Requirements

Exhibit H	Information Security and Privacy Requirements
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This Contract constitutes the complete and exclusive statement of understanding between the parties, and supersedes all previous contracts, written and oral, and all communications between the parties relating to the subject matter of this Contract. No change to this Contract will be valid unless prepared pursuant to Paragraph 8.1 (Amendments) and signed by both parties.

2 DEFINITIONS

2.1 Standard 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 must be construed to have the following meaning, unless otherwise apparent from the context in which they are used.

- 2.1.1 **Board of Supervisors ("Board"):** The Board of Supervisors of the County of Los Angeles acting as governing body.
- 2.1.2 **Business Day:** A working day, Monday through Friday, excluding County-observed holidays.
- 2.1.3 **Contract:** This agreement executed between the County and the Contractor. Included are all supplemental agreements amending or

extending the service to be performed. The Contract sets forth the terms and conditions for the issuance and performance of all tasks, deliverables, services and other work.

- 2.1.4 **Contractor:** The person or persons, sole proprietor, partnership, joint venture, corporation or other legal entity who has entered into an agreement with the County to perform or execute the work covered by this Contract.
- 2.1.5 **Contractor Project Manager:** The individual designated by the Contractor to administer the Contract operations under this Contract. This individual is responsible for inspections of any and all tasks, deliverables, goods, services and other work provided by the Contractor.
- 2.1.6 **County Observed Holidays:** Days on which County departments are closed for business in observance of significant events. A list of County observed holidays may be found on the County's website <https://lacounty.gov/government/about-la-county/about/>.
- 2.1.7 **County Project Director:** Person designated by the County with authority for the County on contractual or administrative matters relating to this contract that cannot be resolved by the County's Project Manager.
- 2.1.8 **County Project Manager:** Person designated by the County's Project Director to manage the operations under this Contract. This individual is responsible for inspections of any and all tasks, deliverables, goods, services and other work provided by the Contractor.
- 2.1.9 **County Project Monitor:** Person with responsibility to oversee the day-to-day activities of this Contract. This individual is responsible for monitoring the Contractor's performance and provision of all services required by the Contract, to ensure the Contractor's complete and timely compliance with the Contract.
- 2.1.10 **Day(s):** Calendar day(s) unless otherwise specified.
- 2.1.11 **DHR:** Department of Human Resources
- 2.1.12 **Director:** Director of Personnel, Department of Human Resources
- 2.1.13 **Fiscal Year:** The twelve (12) month period beginning July 1st and ending the following June 30th.
- 2.1.14 **Statement of Work ("SOW"):** A written description of the work to be performed by Contractor to meet the needs of the County, including special provisions pertaining to the method, frequency, manner, and place of performing the contract services.
- 2.1.15 **Subcontract:** An agreement by the Contractor to employ a subcontractor to provide services to fulfill this Contract.

- 2.1.16 **Subcontractor:** Any individual, person or persons, sole proprietor, firm, partnership, joint venture, corporation, or other legal entity furnishing supplies, services of any nature, equipment, and/or materials to the Contractor in furtherance of the Contractor's performance of this Contract, at any tier, under oral or written agreement.

3 WORK

- 3.1 Pursuant to the provisions of this Contract, the Contractor must fully perform, complete and deliver on time, all tasks, deliverables, services and other work as set forth in herein ("Services"), in accordance with Exhibit A – Statement of Work ("SOW"), with all SOW attachments thereto, at the applicable rates and fees set forth in Exhibit B (Pricing Schedule), with all schedules thereto.
- 3.2 If the Contractor provides any Services, other than as specified in this Contract, the same will be deemed to be a gratuitous effort on the part of the Contractor, and the Contractor must have no claim whatsoever against the County.

4 TERM OF CONTRACT

- 4.1 This Contract is effective upon the date of its execution by the Director, or designee, as authorized by the Board. The term of this Contract will be from December 5, 2023 through December 31, 2026 (hereinafter "Initial Term"), unless sooner terminated or extended, in whole or in part, as provided in this Contract.
- 4.2 At the end of the Initial Term, the County will have the sole option to extend this Contract term for up to three (3) additional one (1) year periods (each, hereinafter, an "Extended Term"). Each such extension option may be exercised at the sole discretion of the Director, as authorized by the Board of Supervisors. The County will be deemed to have exercised each one-year Extended Term automatically, without further action, unless, no later than thirty (30) days prior to the expiration of the Initial Term or the Extended Term, as applicable, the Director, in their sole discretion, notifies the Contractor in writing that the County elects not to extend the Contract pursuant to this Paragraph 4.2. Each Extended Term will be subject to the terms and conditions in this Contract, including but not limited to the rates quoted as set for in Exhibit B (Pricing Schedule).

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

- 4.3 The Contractor must notify DHR when this Contract is within six (6) months of the expiration of the term as provided for hereinabove. Upon occurrence of this event, the Contractor must send written notification to DHR at the address herein provided in Exhibit D (County's Administration).

5 CONTRACT SUM

5.1 Total Contract Sum

The contract sum will be the total monetary amount payable by the County to the Contractor for supplying all tasks, subtasks, deliverables, goods, services and other work required or requested by the County under this Contract for the Initial Term and for each Extended Term (“Contract Sum”). The Contract Sum, which will include all applicable taxes, will be as set forth in Exhibit B (Pricing Schedule) for the duration of the Contract, unless modified by an Amendment to this Contract, pursuant to Paragraph 8.1 (Amendments). Payment for assumption and administration of all historical and take-over claims is included in the Contract Sum. The County will not make, and the Contractor is not entitled to, any additional payment for the assumption or administration of any take-over claims.

5.2 Written Approval for Reimbursement

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

5.2.2 Expenses

5.2.2.1 Pass-Through Expenses

The Contractor must pay all third-party vendor costs that are \$350 or less per claim. The Contractor will pass through to the County the costs in excess of \$350 per claim for services provided by third-party vendors, referred to as “pass-through expenses.” Such pass-through expenses may include but are not limited to the following services provided by third-party vendors:

- Independent medical examinations;
- Functional capacity evaluations;
- Vocational evaluations;
- Special investigation unit services;
- Physician advisory services/peer reviews;
- Second/Third opinion evaluations; and
- Transferable skills analyses.

5.2.2.2 Transfer of Case Files

The Contractor must pay for all expenses relating to the transfer of claims, case files, data and materials, as described in Exhibit A (SOW), Section 13.0 (Transition Services).

5.2.2.3 Policy Changes/Amendments

Any policy changes by DHR or amendments to the Short-Term Disability (“STD”), Long-Term Disability (“LTD”), Long-Term Disability Health Insurance (“LTDH”), or Survivor Benefits (“SB”) programs during the life of the Contract that may require changes to the administrative procedures described in the SOW will be at no cost to the County.

5.3 Notification of 75% of Total Contract Sum

The Contractor must maintain a system of record keeping that will allow the Contractor to determine when it has incurred seventy-five percent (75%) of the total contract sum under this Contract. Upon occurrence of this event, the Contractor must send written notification to DHR at the address for the County’s Project Manager herein provided in Exhibit D (County’s Administration).

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

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

5.5 Invoices and Payments

5.5.1 The Contractor must invoice the County only for providing the tasks, deliverables, goods, services, and other work specified in Exhibit A (Statement of Work and Attachments) and elsewhere hereunder. The Contractor must prepare invoices, which will include the charges owed to the Contractor by the County under the terms of this Contract. The Contractor’s payments will be as provided in Exhibit B (Pricing Schedule), and the Contractor will 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 will be due to the Contractor for that work.

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

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

5.5.4 Submission of Invoices

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

5.5.4.2 The Contractor must submit to the County invoices for any pass-through expenses described in SOW, Sub-paragraph 5.2.2.1 (Pass-Through Expenses) within three (3) months of receiving the original invoices from the third-party vendor. The County will not pay for pass-through expenses if the invoice for such expenses is received more than three (3) months following submission of the original invoice to the Contractor.

5.5.5 The Contractor must submit electronic copies of all invoices under this Contract to the DHR Occupational Health and Leave Management Division via the following e-mail:

DBUInvoices@hr.lacounty.gov.

5.5.6 **County Approval of Invoices**

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

5.5.6.2 Payments

Provided that the Contractor is not in default under any provision of this Contract, the County will pay all invoice amounts to the Contractor within thirty (30) calendar days of receipt of invoices that have not been disputed in accordance with Sub-paragraphs 5.5.6.3 and 5.5.6.4.

5.5.6.3 Invoice Discrepancies

The County's Project Manager or designee will review each invoice for any discrepancies and will, within thirty (30) calendar days of receipt, notify the Contractor in writing of any discrepancies found upon such review and submit a list of disputed charges. The Contractor must review the disputed charges and send a written explanation detailing the basis for

the charges to the County's Project Manager or designee within thirty (30) calendar days of receipt of the County's notice of discrepancies and disputed charges.

If the County's Project Manager or designee does not receive a written explanation for the charges within such thirty (30) calendar day period, the Contractor will be deemed to have waived its right to justify the original invoice amount, and the County in its sole discretion will determine the amount due to the Contractor and pay such amount in satisfaction of the disputed invoice, within seventy-five (75) calendar days of receipt of the invoice.

If the County's Project Manager or designee receives a written explanation for the charges within such thirty (30) calendar day period, the County will review the Contractor's response and will determine in County's sole discretion the amount due to the Contractor, and notify the Contractor of the County's determination within fifteen (15) calendar days of receipt of the written explanation. The County will pay such amount within ninety (90) calendar days of receipt of the Contractor's original invoice.

All correspondence relating to invoice discrepancies must be sent by email, followed by hard copy, to the County's Project Manager with a copy to the County's Project Director at the addresses specified in Exhibit D (County's Administration).

5.5.6.4 Adjustments for Overpayments

The County may reduce the Contractor's monthly invoice for assessments of adjustments based on overpayments for which the County has notified the Contractor pursuant to this Sub-paragraph 5.5.6.4.

The Contractor must reimburse the County for any overpayment. Such overpayment includes but is not limited to the following:

Overpayment of any benefit owed to any applicant, claimant or other party for any reason whatsoever, including but not limited to the Contractor's failure to comply with any term of this Contract, or any written County policy provided to the Contractor prior to the overpayment, or the general standards and generally accepted best practices of the disability benefits claims administration industry.

In the event of an overpayment, the County will notify the Contractor in writing of any assessment of adjustments to payments within thirty (30) calendar days of the County's

discovery of the overpayment. The Contractor must respond in writing to the County within thirty (30) calendar days of receipt of the County's notice. If the Contractor does not respond to the County's notice within thirty (30) calendar days, the Contractor will lose its right to dispute the County's assessment, and the County will pay the amount of the adjusted invoice within seventy-five (75) calendar days of the receipt of the original invoice.

If the Contractor responds to the receipt of the County's notice within thirty (30) calendar days, the Contractor's response must include, but not be limited to, the following:

1. Evidence that an overpayment was not made;
2. Evidence that the Contractor's act(s) and/or omission(s) did not cause the overpayment; or
3. Evidence that the Contractor obtained prior written approval from the County's Project Manager or designee.

The County will review the Contractor's response and in its sole discretion determine the amount of adjustments to payments due, if any, to the Contractor, or reimbursements due from the Contractor, and will notify the Contractor of the County's determination within fifteen (15) calendar days of receipt of the Contractor's response. As applicable, the County will pay the adjusted amount within ninety (90) calendar days of receipt of the Contractor's original invoice.

5.5.7 County's Right to Payment

Notwithstanding any other provision of this Contract, and in addition to any rights of the County given by law or provided in this Contract, the County may upon written notice to the Contractor withhold payment for any deliverable while the Contractor, with no fault of the County, is in a default hereunder or default related to the Services.

County's Right to Withhold Payment to Final Invoices for Incomplete Transition Services:

The County may, upon written notice to the Contractor, withhold payment of the Contractor's final invoices for the last month of Services provided prior to the Contract's expiration or termination if the Contractor has not completed said transition services in accordance with Exhibit A (SOW), Section 12.0 (Transition Services).

5.5.8 Intentionally Omitted

5.6 Intentionally Omitted

5.7 Default Method of Payment: Direct Deposit or Electronic Funds Transfer (“EFT”)

- 5.7.1 The County, at its sole discretion, has determined that the most efficient and secure default form of payment for goods and/or services provided under an agreement/contract with the County will be EFT or direct deposit, unless an alternative method of payment is deemed appropriate by the Auditor-Controller (“A-C”).
- 5.7.2 The Contractor must submit a direct deposit authorization request via the website <https://directdeposit.lacounty.gov> with banking and vendor information, and any other information that the A-C determines is reasonably necessary to process the payment and comply with all accounting, record keeping, and tax reporting requirements.
- 5.7.3 Any provision of law, grant, or funding agreement requiring a specific form or method of payment other than EFT or direct deposit will supersede this requirement with respect to those payments.
- 5.7.4 At any time during the duration of the Contract, a Contractor may submit a written request for an exemption to this requirement. Such request must be based on specific legal, business or operational needs and explain why the payment method designated by the A-C is not feasible and an alternative is necessary. The A-C, in consultation with the contracting department(s), will decide whether to approve exemption requests.

6 ADMINISTRATION OF CONTRACT - COUNTY

6.1 County Administration

A listing of all County Administration referenced in the following subparagraphs are designated in Exhibit E (County’s Administration). The County will notify the Contractor in writing of any change in the names or addresses shown.

6.2 County’s Project Director

The role of the County’s Project Director may include:

- 6.2.1 Coordinating with the Contractor and ensuring the Contractor’s performance of the Contract; however, in no event will the Contractor’s obligation to fully satisfy all of the requirements of this Contract be relieved, excused or limited thereby; and
- 6.2.2 Upon request of the Contractor, providing direction to the Contractor, as appropriate in areas relating to County policy, information requirements, and procedural requirements; however, in no event, will the Contractor’s

obligation to fully satisfy all of the requirements of this Contract be relieved, excused or limited thereby.

6.3 County's Project Manager

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

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

6.3.1.2 Reviewing and approving invoices; and

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

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

6.3.3 The County's Project Manager or designee will be responsible for and have full authority to oversee the Contractor's performance in the daily operation of the Contract.

6.3.4 The County's Project Manager or designee will provide direction to the Contractor in areas relating to policy and procedural requirements, and on other matters.

6.3.5 The Contractor must remove, at the County Project Manager's request, any employee or subcontractor providing Services for the County under this Contract.

6.3.6 Authority Limits

The County Project Manager may establish a schedule of authority limits and referrals for all personnel approving disability benefits and ancillary services.

6.4 County's Project Monitor

The role of the County's Project Monitor is to oversee the day-to-day administration of this Contract and to monitor the Contractor's performance and provision of all Services required by the Contract, to ensure the Contractor's complete and timely compliance with the Contract; however, in no event will Contractor's obligation to fully satisfy all of the requirements of this Contract be relieved, excused or limited thereby. The Project Monitor reports to the County's Project Manager.

7 ADMINISTRATION OF CONTRACT - CONTRACTOR

7.1 Contractor Administration

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

7.2 Project Manager

7.2.1 The Contractor's Project Manager and alternate are designated in Exhibit E (Contractor's Administration). The Contractor must notify the County in writing of any change in the name or address of the Contractor's Project Manager and alternate.

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

7.3 Approval of Contractor's Staff

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

7.4 Contractor's Staff Identification

The Contractor's staff must wear photo identification badges when attending in-person meetings or providing in-person services at County facilities. The Contractor must provide these identification badges to its staff at its own expense.

7.5 Background and Security Investigations

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

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

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

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

7.6 Confidentiality

- 7.6.1 The Contractor must maintain the confidentiality of all records and information in accordance with all applicable federal, state and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures relating to confidentiality, including, without limitation, County policies concerning information technology security and the protection of confidential records and information.
- 7.6.2 The Contractor must indemnify, defend, and hold harmless the County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting, or professional fees, arising from, connected with, or related to any failure by the Contractor, its officers, employees, agents, or subcontractors, to comply with this Paragraph 7.6, as determined by the County in its sole judgment. Any legal defense pursuant to contractor's indemnification obligations under this Paragraph 7.6 will be conducted by the Contractor and performed by counsel selected by the Contractor and approved by the County. Notwithstanding the preceding sentence, the County will have the right to participate in any such defense at its sole cost and expense, except that in the event the Contractor fails to provide the County with a full and adequate defense, as determined by the County in its sole judgment, the County will be entitled to retain its own counsel, including, without limitation, County Counsel, and to reimbursement from the Contractor for all such costs and expenses incurred by the County in doing so. The Contractor will not have the right to enter into any settlement, agree to any injunction, or make any admission, in each case, on behalf of the County without the County's prior written approval.
- 7.6.3 The Contractor must inform all of its officers, employees, agents and subcontractors providing services hereunder of the confidentiality provisions of this Contract.
- 7.6.4 The Contractor must sign and adhere to the provisions of Exhibit F1 (Contractor Acknowledgement and Confidentiality Agreement).

-AND-

The Contractor will cause each employee performing services covered by this Contract to sign and adhere to the provisions of Exhibit F2 (Contractor Employee Acknowledgment and Confidentiality Agreement) within ten (10) Business Days of Contract inception or start of employment.

-AND-

The Contractor will cause each non-employee performing services covered by this Contract to sign and adhere to the provisions of Exhibit F3 (Contractor Non-Employee Acknowledgment and Confidentiality Agreement) within ten (10) Business Days of Contract inception or the start of each non-employee's provision of Contract services.

7.7 Negotiations/Settlement

The Contractor must obtain written approval from a designated representative of the County prior to the initiation of negotiations for a settlement agreement (i.e., in cases of claimant misrepresentation/fraud to obtain benefits, recovery of overpayments to claimants, etc.) and for final approval to enter into a settlement agreement.

8 STANDARD TERMS AND CONDITIONS

8.1 Amendments

- 8.1.1 For any change which affects the scope of work, term, contract sum, payments, or any term or condition included under this Contract, an Amendment to the Contract must be prepared and executed by the Contractor and by the Director or their designee.
- 8.1.2 For any change that is mutually agreed upon by the County and the Contractor and that does not materially affect the scope of work, Contract Sum or payments, or any other term or condition included under this Contract, a Change Notice may be prepared in writing and signed by the County's Project Director, or designee, and the Contractor's Project Manager.
- 8.1.3 The County's Board of Supervisors or Chief Executive Officer or designee may require the addition and/or change of certain terms and conditions in the Contract during the term of this Contract. The County reserves the right to add and/or change such provisions as required by the County's Board of Supervisors or Chief Executive Officer. To implement such changes, an Amendment to the Contract must be prepared and executed by the Contractor and by the Director or their designee.

8.2 Assignment and Delegation/Mergers or Acquisitions

- 8.2.1 The Contractor must notify the County of any pending acquisitions/mergers of its company unless otherwise legally prohibited from doing so. If the Contractor is restricted from legally notifying the County of pending acquisitions/mergers, then it should notify the County of the actual acquisitions/mergers as soon as the law allows and provide to the County the legal framework that restricted it from notifying the County prior to the actual acquisitions/mergers.
- 8.2.2 The Contractor must not assign, exchange, transfer, or delegate its rights or duties under this Contract, whether in whole or in part, without the prior written consent of the County, in its discretion, and any attempted assignment, delegation, or otherwise transfer of its rights or duties, without such consent will be null and void. For purposes of this paragraph, County consent will require a written Amendment to the Contract, which is formally approved and executed by the parties. Any payments by the County to any approved delegate or assignee on any claim under this Contract will be deductible, at the County's sole discretion, against the claims, which the Contractor may have against the County.
- 8.2.3 Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any person or entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without the County's express prior written approval, will be a material breach of the Contract which may result in the termination of this Contract. In the event of such termination, the County will be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

8.3 Authorization Warranty

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

8.4 Budget Reductions

In the event that the County's Board of Supervisors adopts, in any fiscal year, a County Budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County contracts, the County reserves the right to reduce its payment obligation under this Contract correspondingly for that fiscal year and any subsequent fiscal year during the term of this Contract (including any extensions), and the services

to be provided by the Contractor under this Contract will also be reduced correspondingly. The County's notice to the Contractor regarding said reduction in payment obligation will be provided within thirty (30) calendar days of the Board's approval of such actions. Except as set forth in the preceding sentence, the Contractor must continue to provide all of the services set forth in this Contract.

8.5 Complaints

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

8.5.1 Complaint Procedures

- 8.5.1.1** Within thirty (30) Business Days after the Contract effective date, the Contractor must provide the County with the Contractor's policy for receiving, investigating and responding to user complaints.
- 8.5.1.2** The County will review the Contractor's policy and provide the Contractor with approval of said plan or with requested changes.
- 8.5.1.3** If the County requests changes in the Contractor's policy, the contractor must make such changes and resubmit the plan within five (5) Business Days for County approval.
- 8.5.1.4** If, at any time, the Contractor wishes to change the Contractor's policy, the Contractor must submit proposed changes to the County for approval before implementation.
- 8.5.1.5** The Contractor must preliminarily investigate all complaints and notify the County's Project Manager of the status of the investigation within five (5) Business Days of receiving the complaint.
- 8.5.1.6** When complaints cannot be resolved informally, a system of follow-through will be instituted which adheres to formal plans for specific actions and strict time deadlines.
- 8.5.1.7** Copies of all written responses must be sent to the County's Project Manager within five (5) Business Days of mailing to the complainant.

8.6 Compliance with Applicable Law

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

8.6.2 The Contractor must indemnify, defend, and hold harmless the County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs, and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting or professional fees, arising from, connected with, or related to any failure by the Contractor, its officers, employees, agents, or subcontractors, to comply with any such laws, rules, regulations, ordinances, directives, guidelines, policies, or procedures, as determined by the County in its sole judgment. Any legal defense pursuant to the Contractor's indemnification obligations under Paragraph 8.6 (Compliance with Applicable Law) will be conducted by the Contractor and performed by counsel selected by the Contractor and approved by the County. Notwithstanding the preceding sentence, the County will have the right to participate in any such defense at its sole cost and expense, except that in the event the Contractor fails to provide the County with a full and adequate defense, as determined by the County in its sole judgment, the County will be entitled to retain its own counsel, including, without limitation, County Counsel, and to reimbursement from the Contractor for all such costs and expenses incurred by the County in doing so. The Contractor will not have the right to enter into any settlement, agree to any injunction or other equitable relief, or make any admission, in each case, on behalf of the County without the County's prior written approval.

8.7 Compliance with Civil Rights Laws

The Contractor hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000 (e) (1) through 2000 (e) (17), to the end that no person will, 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. Additionally, the Contractor certifies to the County:

- 8.7.1 That the Contractor has a written policy statement prohibiting discrimination in all phases of employment.
- 8.7.2 That the Contractor periodically conducts a self-analysis or utilization analysis of its work force.
- 8.7.3 That the Contractor has a system for determining if its employment practices are discriminatory against protected groups.
- 8.7.4 Where problem areas are identified in employment practices, the Contractor has a system for taking reasonable corrective action, to include establishment of goals or timetables.

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](#).

8.8.2 Written Employee Jury Service Policy

8.8.2.1 Unless the Contractor has demonstrated to the County's satisfaction either that the Contractor is not a "contractor" as defined under the Jury Service Program ([Section 2.203.020 of the County Code](#)) or that the Contractor qualifies for an exception to the Jury Service Program ([Section 2.203.070 of the County Code](#)), the Contractor must have and adhere to a written policy that provides that its Employees will 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.

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

8.8.2.3 If the Contractor is not required to comply with the Jury Service Program when the Contract commences, the Contractor will have a continuing obligation to review the

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

8.8.2.4 The Contractor’s violation of this paragraph of the Contract 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 and/or bar the Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

8.9 Conflict of Interest

8.9.1 No County employee whose position with the County enables such employee to influence the award of this Contract or any competing Contract, and no spouse or economic dependent of such employee, will 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 will 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 must 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 must immediately make full written disclosure of such facts to the County. Full written disclosure must include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this paragraph will be a material breach of this Contract.

8.10 Consideration of Hiring County Employees Targeted for Layoffs or are on a County 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 must 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/START Participants

8.11.1 Should the Contractor require additional or replacement personnel after the effective date of this Contract, the Contractor will 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 Skills and Training to Achieve Readiness for Tomorrow ("START") Program who meet the Contractor's minimum qualifications for the open position. For this purpose, consideration will mean that the Contractor will interview qualified candidates. The County will refer GAIN/START participants by job category to the Contractor. Contractors must report all job openings with job requirements to: gainstart@dpss.lacounty.gov and BSERVICES@OPPORTUNITY.LACOUNTY.GOV and DPSS will refer qualified GAIN/START job candidates.

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

8.12 Contractor Responsibility and Debarment

8.12.1 Responsible Contractor

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

8.12.2 Chapter 2.202 of the County Code

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

8.12.3 **Non-responsible Contractor**

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

8.12.4 **Contractor Hearing Board**

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

8.12.4.2 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative will be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board will prepare a tentative proposed decision, which will 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 will be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

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

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

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

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

8.12.4.6 The Contractor Hearing Board's proposed decision will contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board will present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors will 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 will also apply to subcontractors of County contractors.

8.13 Contractor's Acknowledgement of County's Commitment to 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 poster, Exhibit G (Safely Surrendered Baby Law) in a prominent position at the Contractor's place of business. The Contractor will also encourage its subcontractors, if any, to post this poster in a prominent position in the subcontractor's place of business. Information and posters for printing are available at <https://lacounty.gov/residents/family-services/child-safety/safely-surrender/>.

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

- 8.14.1 The Contractor acknowledges that the County has established a goal of ensuring that all individuals who benefit financially from the County through contracts are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers.
- 8.14.2 As required by the County's Child Support Compliance Program ([County Code Chapter 2.200](#)) and without limiting the Contractor's duty under this Contract to comply with all applicable provisions of law, the Contractor warrants that it is now in compliance and will during the term of this Contract, maintain 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 will 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

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

8.16 Intentionally Omitted

8.17 Employment Eligibility Verification

- 8.17.1 The Contractor warrants that it fully complies with all federal and state statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. The Contractor must 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 must retain all such documentation for all covered employees for the period prescribed by law.

- 8.17.2 The Contractor must 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 Counterparts and Electronic Signatures and Representations

This Contract may be executed in two or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same Contract. The facsimile, email or electronic signature of the Parties will be deemed to constitute original signatures, and facsimile or electronic copies hereof will be deemed to constitute duplicate originals.

The County and the Contractor hereby agree to regard electronic representations of original signatures of authorized officers of each party, when appearing in appropriate places on the Amendments prepared pursuant to Paragraph 8.1 (Amendments) and received via communications facilities (facsimile, email or electronic signature), as legally sufficient evidence that such legally binding signatures have been affixed to Amendments to this Contract.

8.19 Fair Labor Standards

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

8.20 Force Majeure

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

- 8.20.2 Notwithstanding the foregoing, a default by a subcontractor of the Contractor will not constitute a force majeure event, unless such default arises out of causes beyond the control of both the Contractor and such subcontractor, and without any fault or negligence of either of them. In such case, the Contractor will not be liable for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required performance schedule. As used in this subparagraph, the term “subcontractor” and “subcontractors” mean subcontractors at any tier.
- 8.20.3 In the event the Contractor's failure to perform arises out of a force majeure event, the Contractor agrees to use commercially reasonable best efforts to obtain goods or services from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such force majeure event.

8.21 Governing Law, Jurisdiction, and Venue

This Contract will 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 will be exclusively in the County of Los Angeles.

8.22 Independent Contractor Status

- 8.22.1 This Contract is by and between the County and the Contractor and is not intended, and must 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 must not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.
- 8.22.2 The Contractor will 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 will have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, federal, state, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of the Contractor.
- 8.22.3 The Contractor understands and agrees that all persons performing work pursuant to this Contract are, for purposes of Workers' Compensation liability, solely employees of the Contractor and not employees of the County. The Contractor will be solely liable and responsible for furnishing any and all Workers' Compensation benefits to any person as a result of any injuries arising from or connected with

any work performed by or on behalf of the Contractor pursuant to this Contract.

- 8.22.4 The Contractor must adhere to the provisions stated in Paragraph 7.6 (Confidentiality).

8.23 Indemnification

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

8.24 General Provisions for all Insurance Coverage

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

8.24.2 Evidence of Coverage and Notice to County

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

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

8.24.2.3 Certificates must identify all Required Insurance coverage types and limits specified herein, reference this Contract by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on

the Certificate must match the name of the Contractor identified as the contracting party in this Contract. Certificates must provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand dollars (\$50,000), and list any County required endorsement forms.

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

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

Humphrey Ahaiwe of County of Los Angeles at
DHR's Occupational Health and Leave Management
Division at hahaiwe@hr.lacounty.gov

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

8.24.3 Additional Insured Status and Scope of Coverage

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

endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

8.24.4 Cancellation of or Changes in Insurance

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

8.24.5 Failure to Maintain Insurance

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

8.24.6 Insurer Financial Ratings

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

8.24.7 Contractor's Insurance Must Be Primary

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

8.24.8 Waivers of Subrogation

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

8.24.9 Subcontractor Insurance Coverage Requirements

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

8.24.10 Deductibles and Self-Insured Retentions (SIRs)

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

8.24.11 Claims Made Coverage

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

8.24.12 Application of Excess Liability Coverage

The Contractor may use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

8.24.13 Separation of Insureds

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

8.24.14 Alternative Risk Financing Programs

The County reserves the right to review, and then approve, the Contractor use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. The County and its Agents must be

designated as an Additional Covered Party under any approved program.

8.24.15 **County Review and Approval of Insurance Requirements**

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

8.25 Insurance Coverage

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

General Aggregate: \$2 million

Products/Completed Operations Aggregate: \$1 million

Personal and Advertising Injury: \$1 million

Each Occurrence: \$1 million

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

8.25.3 **Workers Compensation and Employers' Liability** insurance or qualified self- insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident. If the Contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also must include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the Alternate Employer. The written notice must be provided to the County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. If applicable to the Contractor's operations, coverage also must be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

8.25.4 **Unique Insurance Coverage**

8.25.4.1 Intentionally Omitted

8.25.4.2 Professional Liability-Errors and Omissions

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

8.25.4.3 Property Coverage

Contractors given exclusive use of County owned or leased property must carry property coverage at least as broad as that provided by the ISO special causes of loss (ISO policy form CP 10 30) form. The County and its Agents must be named as an Additional Insured and Loss Payee on the Contractor's insurance as its interests may appear. Automobiles and mobile equipment must be insured for their actual cash value. Real property and all other personal property must be insured for their full replacement value.

8.25.4.4 Intentionally Omitted

8.25.4.5 Technology Errors & Omissions Insurance

Insurance for liabilities arising from errors, omissions, or negligent acts in rendering or failing to render computer or information technology services and technology products. Coverage for violation of software copyright should be included. Technology services should at a minimum include (1) systems analysis; (2) systems programming; (3) data processing; (4) systems integration; (5) outsourcing including outsourcing development and design; (6) systems design, consulting, development and modification; (7) training services relating to computer software or hardware; (8) management, repair and maintenance of computer products, networks and systems; (9) marketing, selling, servicing, distributing, installing and maintaining computer hardware or software; (10) data entry, modification, verification, maintenance, storage, retrieval or preparation of data output, and any other services provided by the vendor with limits of not less than \$10 million.

8.25.4.6 Cyber Liability Insurance

The Contractor must secure and maintain cyber liability insurance coverage with limits of \$5 million per occurrence and in the aggregate during the term of the Contract, including coverage for: network security liability; privacy liability; privacy regulatory proceeding, defense, response, expenses and

finances; technology professional liability (errors and omissions); privacy breach expense reimbursement (liability arising from the loss or disclosure of County Information no matter how it occurs); system breach; denial or loss of service; introduction, implantation, or spread of malicious software code; unauthorized access to or use of computer systems; and Data/Information loss and business interruption; any other liability or risk that arises out of the Contract. The Contractor must add the County as an additional insured to its cyber liability insurance policy and provide to the County certificates of insurance evidencing the foregoing upon the County's request. The procuring of the insurance described herein, or delivery of the certificates of insurance described herein, will not be construed as a limitation upon the Contractor's liability or as full performance of its indemnification obligations hereunder. No exclusion/restriction for unencrypted portable devices/media may be on the policy.

8.25.4.7 Performance Security Requirements

The Performance Security Requirements may be provided by one of the following and conditioned upon faithful performance and satisfactory completion of services by the Contractor.

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

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

8.26 Liquidated Damages

8.26.1 If, in the judgment of the Director, or their designee, the Contractor is deemed to be non-compliant with the terms and obligations assumed hereby, the Director, or his/her designee, at their option, in addition to, or in lieu of, other remedies provided herein, may withhold the entire monthly payment or deduct pro rata from the Contractor's invoice for work not performed. A description of the work not performed and the amount to be withheld or deducted from payments to the Contractor from

the County, will be forwarded to the Contractor by the Director, or their designee, in a written notice describing the reasons for said action.

- 8.26.2 If the Director, or their designee, determines that there are deficiencies in the performance of this Contract that the Director, or his/her designee, deems are correctable by the Contractor over a certain time span, the Director, or their designee, will provide a written notice to the Contractor to correct the deficiency within specified time frames. Should the Contractor fail to correct deficiencies within said time frame, the Director, or their designee, may: (a) Deduct from the Contractor's payment, pro rata, those applicable portions of the Monthly Contract Sum; and/or (b) Deduct liquidated damages. The parties agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of the Contractor to correct a deficiency within the specified time frame. The parties hereby agree that under the current circumstances a reasonable estimate of such damages is One Hundred Dollars (\$100) per day per infraction, or as specified in Attachment 2 (Performance Requirements Summary [PRS]) Chart of Exhibit A (Statement of Work and Attachments) hereunder, and that the Contractor will be liable to the County for liquidated damages in said amount. Said amount will be deducted from the County's payment to the Contractor; and/or (c) Upon giving five (5) days' notice to the Contractor for failure to correct the deficiencies, the County may correct any and all deficiencies and the total costs incurred by the County for completion of the work by an alternate source, whether it be County forces or separate private contractor, will be deducted and forfeited from the payment to the Contractor from the County, as determined by the County.
- 8.26.3 The action noted in Paragraph 8.26.2 must not be construed as a penalty, but as adjustment of payment to the Contractor to recover the County cost due to the failure of the Contractor to complete or comply with the provisions of this Contract.
- 8.26.4 This Paragraph must not, in any manner, restrict or limit the County's right to damages for any breach of this Contract provided by law or as specified in the PRS or Paragraph 8.26.2, and must not, in any manner, restrict or limit the County's right to terminate this Contract as agreed to herein.

8.27 Most Favored Public Entity

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

8.28 Nondiscrimination and Affirmative Action

- 8.28.1 The Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and will be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable federal and state anti-discrimination laws and regulations.
- 8.28.2 The Contractor certifies to the County each of the following:
- 8.28.2.1** That Contractor has a written policy statement prohibiting discrimination in all phases of employment.
 - 8.28.2.2** That Contractor periodically conducts a self-analysis or utilization analysis of its work force.
 - 8.28.2.3** That Contractor has a system for determining if its employment practices are discriminatory against protected groups.
 - 8.28.2.4** Where problem areas are identified in employment practices, the Contractor has a system for taking reasonable corrective action, to include establishment of goals or timetables.
- 8.28.3 The Contractor must 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 must include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.
- 8.28.4 The Contractor certifies and agrees that it will deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation.
- 8.28.5 The Contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies will comply with all applicable federal and state laws and regulations to the end that no person will, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract.
- 8.28.6 The Contractor will allow County representatives access to the Contractor's employment records during regular business hours to verify

compliance with the provisions of this Paragraph 8.28 (Nondiscrimination and Affirmative Action) when so requested by the County.

8.28.7 If the County finds that any provisions of this Paragraph 8.28 (Nondiscrimination and Affirmative Action) have been violated, such violation will constitute a material breach of this Contract upon which the County may terminate or suspend this Contract. While the County reserves the right to determine independently that the anti-discrimination provisions of this Contract have been violated, in addition, a determination by the California Fair Employment and Housing Commission or the Federal Equal Employment Opportunity Commission that the Contractor has violated federal or state anti-discrimination laws or regulations will constitute a finding by the County that the Contractor has violated the anti-discrimination provisions of this Contract.

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

8.29 Non Exclusivity

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

8.30 Notice of Delays

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

8.31 Notice of Disputes

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

8.32 Notice to Employees Regarding the Federal Earned Income Credit

The Contractor must notify its employees, and will 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 must be provided in accordance with the requirements set forth in Internal Revenue Service Notice No. 1015.

8.33 Notice to Employees Regarding the Safely Surrendered Baby Law

The Contractor must notify and provide to its employees, and will require each subcontractor to notify and provide to its employees, information regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The information is set forth in Exhibit G (Safely Surrendered Baby Law) of this Contract. Additional information is available at <https://lacounty.gov/residents/family-services/child-safety/safely-surrender/>.

8.34 Notices

All notices or demands required or permitted to be given or made under this Contract must be in writing and will 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 D (County's Administration) and E (Contractor's Administration). Addresses may be changed by either party giving ten (10) days prior written notice thereof to the other party. The Director or designee will have the authority to issue all notices or demands required or permitted by the County under this Contract.

8.35 Prohibition Against Inducement or Persuasion

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

8.36 Public Records Act

8.36.1 Any documents submitted by the Contractor; all information obtained in connection with the County's right to audit and inspect the Contractor's documents, books, and accounting records pursuant to Paragraph 8.38 (Record Retention and Inspection-Audit Settlement) of this Contract; as well as those documents which were required to be submitted in response to the Request for Proposals (RFP) used in the solicitation process for this Contract, become the exclusive property of the County. All such documents become a matter of public record and will be regarded as public records. Exceptions will be those elements in the [California Government Code Section 7921 et seq.](#) (Public Records Act) and which are marked "trade secret," "confidential," or "proprietary." The County will not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.

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

secret,” “confidential,” or “proprietary,” the Contractor agrees to defend and indemnify the County from all costs and expenses, including reasonable attorney’s fees, in action or liability arising under the Public Records Act.

8.37 Publicity

8.37.1 The Contractor must 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 will not inhibit the Contractor from publishing its role under this Contract within the following conditions:

8.37.1.1 The Contractor must develop all publicity material in a professional manner; and

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

8.37.2 The Contractor may, without the prior written consent of the County, indicate in its proposals and sales materials that it has been awarded this Contract with the County of Los Angeles, provided that the requirements of this Paragraph 8.37 (Publicity) will apply.

8.38 Record Retention and Inspection-Audit Settlement

8.38.1 The Contractor must maintain accurate and complete financial records of its activities and operations relating to this Contract in accordance with generally accepted accounting principles. The Contractor must 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, will have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or record relating to this Contract. All such material, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets and other time and employment records, and proprietary data and information, will be kept and maintained by the Contractor and will 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 must 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 will pay

the County for travel, per diem, and other costs incurred by the County to examine, audit, excerpt, copy, or transcribe such material at such other location.

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

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

8.38.3 If, at any time during the term of this Contract or within five (5) years after the expiration or termination of this Contract, representatives of the County conduct an audit of the Contractor regarding the work performed under this Contract, and if such audit finds that the County's dollar liability for any such work is less than payments made by the County to the Contractor, then the difference must 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 will be paid to the Contractor by the County by cash payment, provided that in no event will the County's maximum obligation for this Contract exceed the funds appropriated by the County for the purpose of this Contract.

8.39 Recycled Bond Paper

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

8.40 Subcontracting

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

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

- 8.40.2.1** A description of the work to be performed by the subcontractor.
 - 8.40.2.2** A draft copy of the proposed subcontract; and
 - 8.40.2.3** Other pertinent information and/or certifications requested by the County.
- 8.40.3 The Contractor must indemnify, defend, and hold the County harmless with respect to the activities of each and every subcontractor in the same manner and to the same degree as if such subcontractor(s) were the Contractor employees.
- 8.40.4 The Contractor will remain fully responsible for all performances required of it under this Contract, including those that the Contractor has determined to subcontract, notwithstanding the County's approval of the Contractor's proposed subcontract.
- 8.40.5 The County's consent to subcontract will not waive the County's right to prior and continuing approval of any and all personnel, including subcontractor employees, providing services under this Contract. The Contractor is responsible to notify its subcontractors of this County right.
- 8.40.6 The County's Project Director is authorized to act for and on behalf of the County with respect to approval of any subcontract and subcontractor employees. After approval of the subcontract by the County, the Contractor must forward a fully executed subcontract to the County for their files.
- 8.40.7 The Contractor will be solely liable and responsible for all payments or other compensation to all subcontractors and their officers, employees, agents, and successors in interest arising through services performed hereunder, notwithstanding the County's consent to subcontract.
- 8.40.8 The Contractor must obtain certificates of insurance, which establish that the subcontractor maintains all the programs of insurance required by the County from each approved subcontractor. Before any subcontractor employee may perform any work hereunder, the Contractor must ensure electronic delivery of all such documents to:

Humphrey Ahaiwe of DHR's Occupational Health and Leave
Management Division at hahaiwe@hr.lacounty.gov.

8.41 Termination for Breach of Warranty to Maintain Compliance with County's Child Support Compliance Program

Failure of the Contractor to maintain compliance with the requirements set forth in Paragraph 8.14 (Contractor's Warranty of Adherence to County's Child Support Compliance Program) will constitute default under this Contract. Without limiting the rights and remedies available to the County under any other provision of this Contract, failure of the Contractor to cure such default within ninety (90) calendar

days of written notice will be grounds upon which the County may terminate this Contract pursuant to Paragraph 8.43 (Termination for Default) and pursue debarment of the Contractor, pursuant to [County Code Chapter 2.202](#).

8.42 Termination for Convenience

- 8.42.1 This Contract may be terminated, in whole or in part, from time to time, when such action is deemed by the County, in its sole discretion, to be in its best interest. Termination of work hereunder will be effected by notice of termination to the Contractor specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective will be no less than ten (10) days after the notice is sent.
- 8.42.2 After receipt of a notice of termination and except as otherwise directed by the County, the Contractor must:
 - 8.42.2.1** Stop work under this Contract on the date and to the extent specified in such notice, and
 - 8.42.2.2** Complete performance of such part of the work as would not have been terminated by such notice.
- 8.42.3 All material including books, records, documents, or other evidence bearing on the costs and expenses of the Contractor under this Contract must be maintained by the Contractor in accordance with Paragraph 8.38 (Record Retention and Inspection-Audit Settlement).

8.43 Termination for Default

- 8.43.1 The County may, by written notice to the Contractor, terminate the whole or any part of this Contract, if, in the judgment of County's Project Director:
 - 8.43.1.1** The Contractor has materially breached this Contract; or
 - 8.43.1.2** The Contractor fails to timely provide and/or satisfactorily perform any task, deliverable, service, or other work required either under this Contract; or
 - 8.43.1.3** The Contractor fails to demonstrate a high probability of timely fulfillment of performance requirements under this Contract, or of any obligations of this Contract and in either case, fails to demonstrate convincing progress toward a cure within five (5) working days (or such longer period as the County may authorize in writing) after receipt of written notice from the County specifying such failure.
- 8.43.2 In the event that the County terminates this Contract in whole or in part as provided in Paragraph 8.43.1, the County may procure, upon such terms and in such manner as the County may deem appropriate, goods

and services similar to those so terminated. The Contractor will 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 will continue the performance of this Contract to the extent not terminated under the provisions of this paragraph.

- 8.43.3 Except with respect to defaults of any subcontractor, the Contractor will not be liable for any such excess costs of the type identified in subparagraph 8.43.2 if its failure to perform this Contract arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not limited to: acts of God or of the public enemy, acts of the County in either its sovereign or contractual capacity, acts of federal or state governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either of them, the Contractor will not be liable for any such excess costs for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required performance schedule. As used in this paragraph, the term "subcontractor(s)" means subcontractor(s) at any tier.
- 8.43.4 If, after the County has given notice of termination under the provisions of Paragraph 8.43 (Termination for Default) it is determined by the County that the Contractor was not in default under the provisions of Paragraph 8.43 (Termination for Default) or that the default was excusable under the provisions of sub-paragraph 8.43.3, the rights and obligations of the parties will be the same as if the notice of termination had been issued pursuant to Paragraph 8.42 (Termination for Convenience).
- 8.43.5 The rights and remedies of the County provided in this Paragraph 8.43 (Termination for Default) will not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.44 Termination for Improper Consideration

- 8.44.1 The County may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Contract if it is found that consideration, in any form, was offered or given by the Contractor, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing this Contract or securing favorable treatment with respect to the award, amendment, or extension of this Contract or the making of any determinations with

respect to the Contractor's performance pursuant to this Contract. In the event of such termination, the County will be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

8.44.2 The Contractor must immediately report any attempt by a County officer or employee to solicit such improper consideration. The report must be made to the Los Angeles County Fraud Hotline at (800) 544-6861 or <https://fraud.lacounty.gov/>.

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

8.45 Termination for Insolvency

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

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

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

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

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

8.45.2 The rights and remedies of the County provided in this Paragraph 8.45 (Termination for Insolvency) will not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.46 Termination for Non-Adherence of County Lobbyist Ordinance

The Contractor, and each County Lobbyist or County Lobbying firm as defined in [County Code Section 2.160.010](#) retained by the Contractor, must 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 will constitute a material breach of this Contract, upon which the County may in its sole discretion, immediately terminate or suspend this Contract.

8.47 Termination for Non-Appropriation of Funds

Notwithstanding any other provision of this Contract, the County will 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 will terminate as of June 30 of the last fiscal year for which funds were appropriated. The County will notify the Contractor in writing of any such non-allocation of funds at the earliest possible date.

8.48 Validity

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

8.49 Waiver

No waiver by the County of any breach of any provision of this Contract will 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 will not be construed as a waiver thereof. The rights and remedies set forth in this paragraph 8.49 will not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.50 Warranty Against Contingent Fees

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

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

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

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

Unless Contractor qualifies for an exemption or exclusion, the Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during

the term of this Contract will maintain compliance, with [Los Angeles County Code Chapter 2.206](#).

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

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

8.53 Time Off for Voting

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

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

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

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

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

8.55 Intentionally Omitted

8.56 Compliance with Fair Chance Employment Hiring Practices

The Contractor, and its subcontractors, must comply with fair chance employment hiring practices set forth in [California Government Code Section 12952](#). The Contractor's violation of this paragraph of the Contract 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.

8.57 Compliance with the County Policy of Equity

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

8.58 Prohibition from Participation in Future Solicitation(s)

A Proposer, or a Contractor or its subsidiary or Subcontractor ("Proposer/Contractor"), is prohibited from submitting a bid or proposal in a County solicitation if the Proposer/Contractor has provided advice or consultation for the solicitation. A Proposer/Contractor is also prohibited from submitting a bid or proposal in a County solicitation if the Proposer/Contractor has developed or prepared any of the solicitation materials on behalf of the County. A violation of this provision will result in the disqualification of the Contractor/Proposer from participation in the County solicitation or the termination or cancellation of any resultant County contract. This provision will survive the expiration, or other termination of this Contract.

8.59 Injury and Illness Prevention Program

The Contractor will be required to comply with the State of California's Cal OSHA's regulations. California Code of Regulations Title 8 Section 3203 requires all California employers to have a written, effective Injury and Illness Prevention Program (IIPP) that addresses hazards pertaining to the particular workplace covered by the program.

9 UNIQUE TERMS AND CONDITIONS

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

The County is subject to the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA). The Contractor expressly acknowledges and agrees that the provision of services under this Contract does not require or permit access by the Contractor or any of its employees to any County health information within the meaning of "protected health information" in 45 Code of Federal Regulations (C.F.R.) Section 160.103, created, maintained, received, transmitted by the Contractor from or on behalf of the County. Accordingly, the Contractor will instruct its employees that they are not

to use this Contract as a means by which to pursue and gain access to County Protected Health Information. The foregoing acknowledgement is not intended to in any way restrict the Contractor's pursuit of access to medical information held by the County, County departments, County facilities or other health care providers to the extent such access is otherwise required or permitted by law, including but not limited to 45 C.F.R. 160 and 164 and Cal. Civil Code Section 56 et seq.

9.2 Ownership of Materials, Software and Copyright

- 9.2.1 The County will be the sole owner of all right, title and interest, including copyright, in and to all software, plans, diagrams, facilities, and tools (hereafter "materials") which are originated or created through the Contractor's work pursuant to this Contract. The Contractor, for valuable consideration herein provided, must execute all documents necessary to assign and transfer to, and vest in the County all of the Contractor's right, title and interest in and to such original materials, including any copyright, patent and trade secret rights which arise pursuant to the Contractor's work under this Contract.
- 9.2.2 During the term of this Contract and for five (5) years thereafter, the Contractor must maintain and provide security for all of the Contractor's working papers prepared under this Contract. The County will have the right to inspect, copy and use at any time during and subsequent to the term of this Contract, any and all such working papers and all information contained therein.
- 9.2.3 Any and all materials, software and tools which are developed or were originally acquired by the Contractor outside the scope of this Contract, which the Contractor desires to use hereunder, and which the Contractor considers to be proprietary or confidential, must be specifically identified by the Contractor to the County's Project Manager as proprietary or confidential, and must be plainly and prominently marked by the Contractor as "Proprietary" or "Confidential" on each appropriate page of any document containing such material.
- 9.2.4 The County will use reasonable means to ensure that the Contractor's proprietary and/or confidential items are safeguarded and held in confidence. The County agrees not to reproduce, distribute or disclose to non-County entities any such proprietary and/or confidential items without the prior written consent of the Contractor.
- 9.2.5 Notwithstanding any other provision of this Contract, the County will not be obligated to the Contractor in any way under sub-paragraph 9.2.4 for any of the Contractor's proprietary and/or confidential items which are not plainly and prominently marked with restrictive legends as required by Sub-paragraph 9.2.3 or for any disclosure which the County is required to make under any state or federal law or order of court.

9.2.6 All the rights and obligations of this Paragraph 9.2 will survive the expiration or termination of this Contract.

9.3 Patent, Copyright and Trade Secret Indemnification

9.3.1 The Contractor must indemnify, hold harmless and defend the County from and against any and all liability, damages, costs, and expenses, including, but not limited to, defense costs and attorneys' fees, for or by reason of any actual or alleged infringement of any third party's patent or copyright, or any actual or alleged unauthorized trade secret disclosure, arising from or related to the operation and utilization of the Contractor's work under this Contract. The County will inform the Contractor as soon as practicable of any claim or action alleging such infringement or unauthorized disclosure, and will support the Contractor's defense and settlement thereof.

9.3.2 In the event any equipment, part thereof, or software product becomes the subject of any complaint, claim, or proceeding alleging infringement or unauthorized disclosure, such that the County's continued use of such item is formally restrained, enjoined, or subjected to a risk of damages, the Contractor, at its sole expense, and providing that the County's continued use of the system is not materially impeded, must either:

9.3.2.1 Procure for the County all rights to continued use of the questioned equipment, part, or software product; or

9.3.2.2 Replace the questioned equipment, part, or software product with a non-questioned item; or

9.3.2.3 Modify the questioned equipment, part, or software so that it is free of claims.

9.3.3 The Contractor will have no liability if the alleged infringement or unauthorized disclosure is based upon a use of the questioned product, either alone or in combination with other items not supplied by the Contractor, in a manner for which the questioned product was not designed nor intended.

9.4 Data Destruction

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

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

The data and/or information may be stored on purchased, leased, or rented electronic storage equipment (e.g., printers, hard drives) and electronic devices

(e.g., servers, workstations) that are geographically located within the County, or external to the County's boundaries. The County must receive within ten (10) business days, a signed document from Contractor(s) and Vendor(s) that certifies and validates the data and information were placed in one or more of the following stored states: unusable, unreadable, and indecipherable.

Vendor must certify that any County data stored on purchased, leased, or rented electronic storage equipment and electronic devices, including, but not limited to printers, hard drives, servers, and/or workstations are destroyed consistent with the current National Institute of Standard and Technology (NIST) Special Publication SP-800-88, Guidelines for Media Sanitization. Vendor must provide County with written certification, within ten (10) business days of removal of any electronic storage equipment and devices that validates that any and all County data was destroyed and is unusable, unreadable, and/or undecipherable.

9.5 Intentionally Omitted

9.6 Intentionally Omitted

9.7 Intentionally Omitted

10 Survival

In addition to any terms and conditions of this Contract that expressly survive expiration or termination of this Contract by their terms, the following provisions will survive the expiration or termination of this Contract for any reason:

Paragraph 1 (Applicable Documents)

Paragraph 2 (Definitions)

Paragraph 3 (Work)

Paragraph 5.4 (No Payment for Services Provided Following Expiration/Termination of Contract)

Paragraph 7.6 (Confidentiality)

Paragraph 8.1 (Amendments)

Paragraph 8.2 (Assignment and Delegation/Mergers or Acquisitions)

Paragraph 8.6.2

Paragraph 8.19 (Fair Labor Standards)

Paragraph 8.20 (Force Majeure)

Paragraph 8.21 (Governing Law, Jurisdiction, and Venue)

Paragraph 8.23 (Indemnification)

Paragraph 8.24 (General Provisions for all Insurance Coverage)

Paragraph 8.25 (Insurance Coverage)

IN WITNESS WHEREOF, the 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 Director of Personnel of the Department of Human Resources, or designee, on the day and year first above written.

CONTRACTOR

SEDGWICK CLAIMS MANAGEMENT SERVICES, INC.

By

Michael Shook

Name

Senior Vice President

Title

COUNTY OF LOS ANGELES

By

LISA M. GARRETT

Director of Personnel

Department of Human Resources

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By *Eduardo Montelongo*

Eduardo Montelongo
Assistant County Counsel

EXHIBIT A

STATEMENT OF WORK AND ATTACHMENTS

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- 1 Contract Discrepancy Report (“CDR”)
- 2 Performance Requirements Summary (“PRS”)
- 3 Eligible and Participating Employees for Short and Long-Term Disability and Survivor Plan Benefits
- 4 Long-Term Disability and Survivor Benefits: Workload Statistics
- 5 Hearing Log
- 6 Service Level Agreement

STATEMENT OF WORK (SOW)

1.0 INTRODUCTION

This Statement of Work (“SOW”) identifies the specific requirements of the Long-Term Disability (“LTD”), Short-Term Disability (“STD”), and Survivor Benefit (“SB”) Claims Third-Party Administration Services Contract.

The County of Los Angeles (“County”) Board of Supervisors (“Board”) approved the County’s original LTD and SB plans in 1982; these plans currently cover approximately 114,300 employees. Effective January 1, 1991, the County implemented the MegaFlex expanded cafeteria plan, which included a new LTD plan and introduced a STD plan for covered employees. There are currently approximately 15,100 MegaFlex employees in the County.

1.1 SCOPE OF WORK

The Contractor agrees to provide comprehensive LTD, MegaFlex Employee STD, and non-MegaFlex Employee SB administration services for all pending claims, reopened or new claims, and all appeals reported during the Contract period for eligible County employees. *Note: This Contract does not include services for non-MegaFlex STD or MegaFlex SB Claims Administration services.*

The Department of Human Resources (“DHR”) Disability Benefits Unit of the Occupational Health and Leave Management (“OHLM”) Division is responsible for the day-to-day administration and operation of the County's LTD, STD and SB plans in order to ensure the full provision of benefits and related services to the eligible employees in 40 County departments and multiple special districts. The claims workload for the past five years is shown in SOW, Exhibit 4 (Long-Term Disability and Survivor Benefits: Workload Statistics).

The Contractor agrees to provide these claims administration services, in accordance with performance standards, including:

- Specific standards set forth in the Contract and Exhibit A (Statement of Work) including the Performance Requirements Summary Chart (Attachment 2 to this Exhibit A [Statement of Work]); and
- All applicable standards and requirements set forth in the LTD, STD and SB County Ordinance Chapters and Codes (including but not necessarily limited to County Codes 5.27, 5.28 and 5.38) and all applicable laws, statutes and/or regulations, including any amendments to these during the term of the Contract, and, if

necessary, as these may be interpreted and recommended by DHR and County Counsel.

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

All changes must be made in accordance with the Contract, Sub-paragraph 8.1 (Amendments).

3.0 QUALITY CONTROL

3.1 The Contractor must establish and utilize a comprehensive Quality Control Plan to assure the County a consistently high level of service throughout the term of the Contract. The Contractor must submit the Quality Control Plan to the County's Contract Project Monitor for review within thirty (30) Business Days of Contract execution. The Quality Control Plan must include, but may not be limited to, the following:

- 3.1.1 A method of monitoring to ensure that Contract requirements are being met;
- 3.1.2 A record of all inspections conducted by the Contractor, any corrective action taken, the time a problem was first identified, a clear description of the problem and the time elapsed between identification and completed corrective action, must be provided to the County upon request;
- 3.1.3 A system for monitoring compliance with all the services listed in this SOW. The monitoring system must specify the activities to be inspected and audits to be accomplished and the title of the individual(s) who will perform the inspections and audits;
- 3.1.4 The methods for assuring and verifying that the minimum requirements for Disability Claims Examiners are met, including a formal training program for trainees; and
- 3.1.5 The methods for identifying and preventing deficiencies in the quality of service performed before the level of performance becomes unacceptable.

3.2 Customer Satisfaction

The Contractor must:

- 3.2.1 Issue a periodic survey to all County claimants for disability benefits at claim decision and claim closure to obtain customer satisfaction data, and must share this data with the County along with

recommendations on how to address any deficiencies or opportunities for improved service within seven (7) Business Days of its findings.

- 3.2.2 Report monthly to the County on the status of actions taken to correct deficiencies or implement accepted recommendations to improve customer service for County claimants for disability benefits.

3.3 Communications with Claimants

The Contractor must:

- 3.3.1 Create a mechanism to capture and record all communications (verbal, telephonic, or electronic) from a claimant and with a claimant, including records of after-hour communications (email or voice mail). The Contractor must retain communication records in accordance with SOW, Sub-paragraph 6.6.11.2. The Contractor must ensure that such recording mechanisms include appropriate industry standard, legal and regulatory disclaimers of recording and/or electronic record keeping.
- 3.3.2 Ensure that recordings and transcripts of telephonic conversations, email records and/or chat messages between the Contractor's specialists and claimants can be reviewed by the County and, upon request, provided to the County within one (1) Business Day of the County's request.
- 3.3.3 Offer optional automatic callback services at the initiation of a call for service should there be a wait of more than three (3) minutes prior to speaking to a live customer service agent.
- 3.3.4 Ensure that claimants have the option to request a preferred form of communication, such as electronic mail, or in hardcopy paper form, and must communicate with the claimant in the designated manner. In addition, the Contractor must provide correspondence in a large-font format to claimants upon request.
- 3.3.5 Provide communications to claimants in English, and upon request make these communications available in any of the following nine languages: Armenian, Cambodian, Chinese, English, Korean, Russian, Spanish, Tagalog and Vietnamese.

3.4 Data Management and Analytics

- 3.4.1 On a quarterly basis or more frequently upon request, the Contractor must provide Data Management and Analytics services, whereby

data collected from claimants may be analyzed to evaluate services and report on utilization and other metrics.

- 3.4.2 The Contractor must collect data for each of the following fields for each disability benefit claimant:

Personal Information

First Name
 Middle Initial
 Last Name
 Suffix
 Identified Gender (female, male, non-binary, decline to state)
 Mailing Address
 Physical Address (if different)
 Personal Email Address
 Phone Number
 Mobile Number
 Alternate Contact Name
 Alternate Contact Phone Number
 Date of Birth

County Employment Information

Department Code
 Department Name
 Employee Number
 County Continuous Service Date
 Retirement plan
 Health plan Enrollment and participation start date
 Optional Group Term Life Enrollment, if any, and participation date

Claim Information

Assigned Claim Number (one number per each claim)
 Status of LTD Claim (open, pending, accepted, denied, appealed, appeal denied, closed)
 First Day of Absence Due to Total Disability
 Date Claim Received
 Date of Eligibility Determination
 Social Security Claims Status (Accepted/Pending/Denied/Appealed)
 - If denied: Reason for SSD Denial (insufficient quarters / not disabled)

Benefit Information

Basic Benefit (Average Salary for past 12 months X 60%)
 Benefit Coverage Start Date
 Anticipated Benefit Coverage End Date
 Eligibility for Benefits Beyond 24 months (Yes/No)

Each benefit payment must include the following information:

- Dates covered by each payment
- Offsets (if any, detailed)

Offset Information

Open Workers' Compensation Claim (Y/N/not applicable)

- If yes, status of claim (pending, accepted, denied, appeals)
- If accepted, benefit amount

Temporary Disability (Y/N)

- If yes, benefit amount

Rehabilitation Benefits (Y/N)

- If yes, benefit amount

Department Pay (Y/N)

- If yes, benefit amount

Retirement Benefits (Y/N)

- If yes, benefit amount

Payment Data - For each accepted claim

Date Covered by Each Payment

Offset Information, if any

- (Temporary Disability Benefits, Rehabilitation Benefits, Department Pay Retirement Benefits)

Offset Amount(s), if any

Federal and State Income Taxes Withheld

Date Check Ordered by the Contractor

Date Check Issued by the Contractor

4.0 QUALITY ASSURANCE PLAN

The County will evaluate the Contractor's performance under this Contract using the quality assurance procedures as defined in this Contract, Section 8.0 (Standard Terms and Conditions), Paragraph 8.15 (County's Quality Assurance Plan).

4.1 Monthly Meetings

The Contractor is required to attend a scheduled monthly meeting, or more frequently upon the County's request. Failure to attend will cause an assessment of Five Hundred Dollars (\$500) per occurrence. Meetings will typically be telephonic or virtual. The County reserves the right to request in-person meetings at any time. The County will validate parking at the County's facility for any meetings that take place at a County facility.

4.2 Annual Program Performance Meeting

4.2.1 The Contractor must create and provide to the County's Project Manager an annual Stewardship Report (i.e., a summary report that

captures the Contractor's program performance in disability benefit claims administration for the prior fiscal year).

4.2.2 The Contractor's Project Manager must meet with the County's Project Manager annually, as determined by the County's Project Manager, to discuss the Contractor's program performance, compare the Contractor's current performance to their prior year's performance, and review the annual report.

4.3 Contract Discrepancy Report (SOW Attachment 1 of this Exhibit A)

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

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

4.4 County Observations

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

5.0 DEFINITIONS

The following terms will have the indicated meanings. Terms not defined herein will have the meanings set forth in the Contract.

5.1 **Authorization for Release of Information ("ROI"):** Authorizes the use or disclosure of the employee's personal health information upon request, to be used to determine eligibility for benefits.

5.2 **Business Hours:** 8:00 a.m. PT through 5:00 p.m. PT, Monday through Friday, except for County-recognized holidays.

5.3 **Business Continuity Plan:** Describes 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 includes a description of critical services and business processes;

Contractor policies and procedures to assure continued business operations following an event; and address, telephone and facsimile numbers, key contacts and all other critical information concerning alternative business processes and/or location(s) following an event.

- 5.4 **Disability Benefits Claims Administration Procedure Manual:** Describes policies and procedures for the administration of County cases, including approval limits, responsibilities, reporting requirements and review of legal services billing.
- 5.5 **Disability – LTD Plan:** The LTD benefit has two separate definitions of “disability.” For the qualifying period and the first 24 months of disability benefits, “total disability” means the complete and continuous inability and incapacity of the employee to perform the duties of their position with the County. After the expiration of 24 months of eligibility for benefit payments, “total disability” means that the employee is disabled within the meaning of the Federal Social Security Act.
- 5.6 **Disability – STD Plan:** Under the STD plan, “disability” means the temporary inability and incapacity of the claimant to perform either the regular or modified duties of their position with the County.
- 5.7 **Disability Benefits Unit (“DBU”):** DHR’s Disability Benefits Unit (“DBU”) provides standardized and uniform processes and procedures on disability management in alignment with County Code Sections 5.27, 5.28 and 5.38 and assists the Disability Management and Compliance Coordinators with guidelines on the processes and procedures for managing STD, LTD and SB claims.
- 5.8 **Disability Management and Compliance Coordinators (“DMCC”):** The individuals from the County departments that may assist in managing disability benefit claims and that coordinate efforts with the DBU and DMC Unit to comply with disability-related processes and procedures.
- 5.9 **Disability Management and Compliance (“DMC”) Unit:** DHR’s Disability Management and Compliance Unit provides standardized and uniform processes and procedures on disability management in alignment with Americans with Disabilities Act (“ADA”) and the County’s Disability Management and Compliance Framework and assists the departmental DMCCs with guidelines on the process for when an employee has been issued work restriction(s) by their healthcare provider. The DMC Unit was formerly referred to as the “Return to Work Unit.”
- 5.10 **Hearing Officer:** The Hearing Officer presides over hearings by conducting a complete and impartial appeal process on various Long-Term Disability benefits administrative cases; monitors and directs compliance activities to

ensure adherence with relevant laws, regulations policies and procedures; and renders a final decision.

- 5.11 **Imprest Fund Bank Account:** A bank account pre-funded by the County to pay estimated long-term disability and survivor benefits.
- 5.12 **Independent Evaluator:** Performs administrative reviews and provides appeals decisions for STD and LTD claims.
- 5.13 **Long-Term Disability Plan:** Offers a monthly income replacement benefit if an employee becomes disabled and is unable to work. Benefits begin to accrue after completing a six-month waiting period.
- 5.14 **LTDH:** Long-term disability health insurance, which provides continued medical coverage protection while an employee is receiving LTD benefits.
- 5.15 **MegaFlex Benefit Plan:** A flexible benefits cafeteria plan for eligible non-represented employees.
- 5.16 **Non-MegaFlex Benefit Plans:** Include Choices Benefit Plan, for employees represented by the Coalition of County Unions; Options Benefit Plan, for employees represented by SEIU Local 721; and Flexible Benefit Plan, for eligible non-represented employees.
- 5.17 **Offsets:** A benefit reduction because of other income benefits that the employee receives for the same disability and the same period of disability, such as workers' compensation and/or County retirement benefits.
- 5.18 **Right of Reimbursement ("ROR"):** Right of Reimbursement confirms the employee's understanding of the County's right to collect duplicate payment received from other sources for the same illness, injury, or pregnancy, or as otherwise required by the Los Angeles County Code of Ordinances.
- 5.19 **Short-Term Disability Plan:** A benefit offered to MegaFlex participants who become injured, ill or pregnant. In order to qualify for benefits for up to a maximum of 26 weeks, an applicant must first observe a mandatory waiting period and be determined "disabled" from their usual and customary occupation with the County.
- 5.20 **Survivor Benefit Plan:** Offers an eligible survivor with an income replacement benefit in the event of the employee's death.
- 5.21 **Workers' Compensation:** A form of insurance providing wage replacement and medical benefits to employees injured in the course of employment.

6.0 RESPONSIBILITIES

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

COUNTY

6.1 Personnel

The County will administer the Contract as set forth in Section 6.0 (Administration of Contract – County) of the Contract. Specific duties will include:

- 6.1.1 Monitoring the Contractor's performance in the daily operation of this Contract.
- 6.1.2 Providing direction to the Contractor in areas relating to policy, information, and procedural requirements.
- 6.1.3 Preparing Amendments and Change Notices in accordance with the Contract, Section 8.0 (Standard Terms and Conditions), Paragraph 8.1 (Amendments).
- 6.1.4 Informing the Contractor of the name, address and telephone number of all key personnel in writing at the time of Contract award.

6.2 Furnished Items

6.2.1 Orientation and Transition Services

During the transition services period, as set forth in Exhibit B (Pricing Sheet), and as requested by the County during the Contract term, the Contractor must provide transition services, as further detailed in SOW, Paragraph 12.1 (Transition Services). As part of transition services, the County will provide, at no cost to the Contractor, orientation to the County's STD, LTD and SB plans for key Contractor personnel, coordinate with the Contractor to ensure the smooth transfer of data from the existing contractor to the new Contractor, and work together with the County to prepare a list of any other required reports, records, and interface requirements. The Contractor will not be entitled to any compensation or other fees and will not be reimbursed for any expense incurred for these transition services.

- 6.2.2 The County will provide the Contractor with data transfer requirements, including but not limited to encryption requirements.

6.2.3 Imprest Fund Bank Account (For LTD and SB Claims Only)

- 6.2.3.1 The County will establish an Imprest Fund Bank Account, which will be prefunded by the County to cover estimated long-term disability and survivor benefit payments.
- 6.2.3.2 The County will issue funds to the Imprest Fund Bank Account no later than five (5) Business Days after receipt of request from the Contractor.
- 6.2.3.3 The Contractor must submit a monthly request for funds to pay the monthly benefits due at least five (5) Business Days prior to payment.
- 6.2.3.4 Separate supplemental requests, if needed, may be made by the Contractor on a weekly basis, five (5) Business Days in advance for benefits paid outside of the regular monthly cycle.
- 6.2.3.5 The Contractor must provide to the County a monthly reconciliation of funds requested, received and disbursed from the Imprest Fund Bank Account, including a monthly check register itemizing deposits to the account, check numbers, check amounts, payee, claimant's name, employee number and claim number for each check issued on the account through the Bank of America Direct Account Reconciliation Services via on-line user Cash-Pro system with specific authorities and entitlements to reconcile financial statements.
- 6.2.3.6 The Contractor must respond to the CashPro Activity Alert Notifications regarding any Positive Pay exception report within the timeframe specified by the County.

6.2.4 Format of Correspondence and Reports

- 6.2.4.1 The County will provide sample wording for all form letters being sent to claimants.
- 6.2.4.2 The County reserves the right to approve all outgoing correspondence, including forms created by the Contractor to include departmental notifications and claimant notifications.
- 6.2.4.3 The County reserves the right to request final review and approval of the format on all reports, to request additional

reports and/or request changes to existing reports, during the term of this Contract. Any requested reports must be produced no later than ten (10) Business Days from the request. Ad hoc reports will be produced within ten (10) Business Days of the date of agreement of the specifications by the Contractor and County staff.

CONTRACTOR

6.3 Contractor's Staff

6.3.1 Contractor's Project Manager

6.3.1.1 The Contractor must provide a full-time Project Manager and designated alternate. The Contractor must provide a telephone number where the Contractor's Project Manager/alternate may be reached between 8:00 am and 5:00 pm Pacific Time ("PT"), Monday through Friday, except County holidays.

6.3.1.2 The Contractor's Project Manager/alternate must act as a central point of contact with the County.

6.3.1.3 The Contractor's Project Manager/alternate will have full authority to act for the Contractor in every detail on all matters relating to the daily operation of the Contract. The Contractor's Project Manager/alternate must be able to effectively communicate, in English, both orally and in writing.

6.3.1.4 The Contractor's Project Manager must have at least three (3) years' experience within the last seven (7) years overseeing third-party administration services for short-term and long-term disability claims (including survivor benefit claims), equivalent or similar in scope to the services described in Exhibit A (SOW), Section 10.0 (Specific Work Requirements), for public and/or private sector entities with a minimum population of 35,000 covered employees.

6.3.2 Disability Claims Examiners

6.3.2.1 The Contractor must provide Disability Claims Examiners to review, make determinations of claims, and coordinate efforts with the DBU, the DMC Unit, the DMCCs, and the Contractor's physician.

6.3.2.2 The Contractor must ensure that all the Disability Claims Examiners have, at a minimum, one (1) year of general disability claims management experience and that at least seventy-five percent (75%) of the Disability Claims Examiners have a minimum of three (3) years' experience within the last seven (7) years in the adjustment of STD and LTD claims.

6.3.2.3 The Contractor must ensure an updated list of Disability Claims Examiners and their experience is submitted to the County at the beginning of each contract year or at the time of any Disability Claims Examiner staffing changes.

6.3.3 Disability Nurse Case Manager(s)

6.3.3.1 The Contractor must ensure that a Nurse Case Manager(s) is assigned to the County account to assist in interpretation of medical data.

6.3.3.2 The Contractor must ensure that the Nurse Case Manager(s) has a minimum of three (3) years' experience within the last seven (7) years in Nurse Case Management of disability claims.

6.3.4 The Contractor must ensure that all Contractor staff providing services under this Contract, including those staff set forth in this Paragraph 6.3, are able to effectively communicate, in English, both orally and in writing.

6.4 Personnel

6.4.1 The Contractor must assign a sufficient number of staff to perform the required work.

6.4.2 The Contractor will be required to background check its staff as set forth in Paragraph 7.5 (Background and Security Investigations), of the Contract.

6.4.3 The Contractor must provide the County with a list of all of the Claims Examiners and Nurse Case Manager(s) assigned to the account. The Contractor must notify the County of any changes to this roster on a continuous basis.

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

6.4.5 The Contractor must inform the County in writing of the name, address, and telephone number of all key personnel at the time the Contract is awarded.

6.5 Uniforms/Identification Badges

6.5.1 The Contractor must wear appropriate business attire at all times while at County facilities.

6.5.2 The Contractor must ensure their employees are appropriately identified as set forth in Paragraph 7.4 – Contractor’s Staff Identification, of the Contract.

6.6 Materials and Equipment

The purchase of all materials, equipment, personnel, transportation, supplies and other items necessary to provide the needed services is the responsibility of the Contractor. The Contractor must use materials and equipment that are safe for the environment and safe for use by the employees.

6.6.1 Courier Service

The Contractor must provide courier services for disability benefits between the Contractor’s office and DHR for up to five (5) occurrences within a calendar year. The courier service must be used only to prevent interference with the County’s business needs or in the event the monthly standard plan funding has failed or cannot be completed timely, making necessary for the County to provide the Contractor with a physical check in order to properly fund the Imprest Fund Bank Account.

6.6.2 Workspace for County Staff

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

6.6.3 Data Transfer

At no cost to the County, the Contractor must provide a computerized data transfer that utilizes encryption to the County at any time as requested by the County. The County will specify the format and encryption strength for the transfer.

6.6.4 Claims Administration Procedure Manual & Business Continuity Plan

6.6.4.1 Within three (3) months of Contract award, the Contractor must provide a "Disability Benefits Claims Administration Procedure Manual" describing policies and procedures for the administration of County cases. The Contractor must ensure that the manual details approval limits, responsibilities, reporting requirements, review of legal services, billing, etc. The Contractor must provide the manual to the County's Project Manager, as well as to the Contractor claims staff to utilize in handling County claims.

6.6.4.2 Within one (1) month of Contract award, the Contractor must 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 Contractor must ensure that the plan includes, but is not limited to, the following:

- A description of critical services and business processes;
- The Contractor's policies and procedures to assure continued business operations following an event; and
- Address, telephone and facsimile numbers, key contacts and all other critical information concerning alternative business processes and/or location(s) following an event.

6.6.4.3 The Contractor must provide the County's Project Manager with plan updates annually for disability benefits administration at the beginning of each Contract year.

6.6.4.4 The Business Continuity Plan is subject to the County's review. The County's Project Managers will not be required to identify, nor notify the Contractor of, deficiencies in Contractor's Business Continuity Plan. The County will neither assume responsibility nor liability for Contractor's Business Continuity Plan.

6.6.5 Plan Documents

The Contractor must annually print and mail the County-provided LTD and STD pamphlets to all eligible County employees at the Contractor's expense prior to the County's annual benefits

enrollment. The Contractor must mail the pamphlets via first class mail on a mutually agreed upon date as determined by the County.

6.6.6 Forms and Notifications

The Contractor must provide all forms and notifications necessary to administer the STD, LTD and SB plans.

6.6.7 Automated Management System Requirements

The Contractor must ensure that its Automated Management System, including all of its system components:

- 6.6.7.1 Complies with the County's encryption requirements and standards.
- 6.6.7.2 Is capable of providing an Application Programming Interface ("API") or a web service.
- 6.6.7.3 Can integrate with existing County Enterprise Human Resource systems (i.e., eHR Advantage, Claims Administration systems, Active Directory, etc.).
- 6.6.7.4 Is capable of receiving Employee Benefits eligibility files from the County Employee Benefits third-party administrator (for disability benefits only).
- 6.6.7.6 Is capable of giving users the ability to generate standard and ad-hoc reports that can be exported into a non-proprietary format, including, but not limited to Excel and PDF, as appropriate and as agreed upon by the County.
- 6.6.7.7 Allows for role-based security, as required by the County.
- 6.6.7.8 Allows County administrators to generate, download and print historical and activity reports.
- 6.6.7.9 Allows for attachment and storage of correspondence and documents of common image file format types such as JPEG, GIF, PNG, TIF and PDF.
- 6.6.7.10 Is user-friendly in presentation, navigation, and other ease-of-use features on computers, smartphones and tablets.
- 6.6.7.11 Maintains compatibility between all its interfaces and all current major web browsers, including, but not limited to,

Internet Explorer, Microsoft Edge, Chrome, Firefox and Safari.

6.6.7.12 Provides a customer-facing online portal that:

- 1) is accessible to users by computer and smart device (i.e., smartphone and tablet) through a mobile application;
- 2) enables County employees to file claims, as further detailed in SOW, Paragraph 10.9 (Employee Claims for STD) and 10.19 (Notice of LTD Plan Potential Eligibility);
- 3) provides County employees with access to customer service, claims applications, and claims information including claims status, benefits paid, appeals information for disability benefit claims;
- 4) provides County claimants with access to customer service; and
- 5) provides users the ability to view and print system-generated correspondence.

6.6.7.13 Provides claimants and County administrators with electronic communication through the online portal and e-mail for documents, messages, and notices, and via text for notifications, and allows claimants to opt-in to receive paper communication for all documents, messages, and notices and to opt-out of text.

6.6.7.14 Enables a record in claimant-specific case notes or history log of the date and time a claimant or the individual calling on behalf of the claimant uses the Contractor's toll-free telephone number to file a claim.

6.6.7.15 Meets all the requirements set forth in SOW Attachment 6 (Service Level Agreement) and Exhibit H (Information Security and Privacy Requirements) to the Contract.

6.6.8 Data Maintenance

The Contractor must accurately update and maintain all data fields to reflect real-time information in the Contractor's Automated Management System for all cases administered by the Contractor.

6.6.9 Notification for System Enhancements

The Contractor must notify and obtain the County's approval for any proposed system enhancements that may affect the County's claims ninety (90) days prior to implementation.

6.6.10 Educational Materials and Web-Based Resources

6.6.10.1 The Contractor must provide educational material such as brochures, flyers, webinars, videos, newsletters or other tools to the County and its employees. The Contractor must ensure that such educational materials include, and will not be limited to, training materials for supervisors covering disability benefit basics, including all necessary steps of the claim application process, and how the County and the Contractor collaborate to support the claimant relative to this process.

6.6.10.2 The Contractor must provide web-based and telephonic self-service options for claimants to interact with the Contractor's disability benefit specialists to obtain information or service on their respective claims.

6.6.10.3 The Contractor must ensure that the online portals for disability benefits claims described in SOW, Sub-paragraph 6.6.7 features an opportunity for users to provide feedback about their web experience. including ease of use and functionality.

6.6.10.4 The Contractor must report back to the County on a quarterly basis with metrics to show utilization of the online portal.

6.6.10.5 The Contractor must gather survey data and report back to the County on a quarterly basis. The Contractor must offer solutions for improving the customer experience.

6.6.11 Records and Reports

6.6.11.1 Financial Records and Reports

The Contractor must maintain and provide accurate and complete financial records and reports of its activities and operation for disability benefits under this Contract.

6.6.11.2 Record Retention

The Contractor must retain all records, including all historical and takeover case files and all case files created by the Contractor under this Contract, for the duration of this Contract, or as required by all applicable federal, state or local regulations for recordkeeping that apply to the Contractor, whichever is longer. The Contractor must ensure that no claims information or documentation is destroyed without the County Project Managers' approval, and the Contractor must be responsible for storage of all files retained during the term of this Contract.

6.6.11.3 The Contractor must create a duplicate and separate electronic copy of each take-over case file and new case file created under this Contract, in accordance with all Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), privacy and other applicable laws.

6.7 Training

6.7.1 At no cost to the County, the Contractor must provide a minimum of four trainings per contract year to designated County employees, as requested by the County, on how to access County claims data on the Contractor's computer system. The Contractor must ensure that such training includes, but is not limited to, hands-on training and refreshers, with detailed examples and step-by-step work-throughs, and an overview of the STD, LTD and SB plans.

6.7.2 The Contractor must provide DHR's DBU and other County-approved departmental staff with access to the Contractor's computer system and with access to all case management information for all County claims at no cost to the County.

6.8 Contractor's Office

The Contractor must maintain a physical office in the County of Los Angeles or in an adjacent county for the administration of County claims. The office must be staffed during Business Hours by at least one employee who can respond to inquiries and complaints which may be received about the Contractor's performance of the Contract. The Contractor must have a local telephone listing with either an "800" or local telephone prefix. When the office is closed, the Contractor must provide a method for the County to leave messages for the Contractor (i.e., email and voicemail). The Contractor must return voicemails and emails received from the County no later than one (1) Business Day of the date that the voicemail or email

message was sent. The Contractor must pay out of its own resources all costs and charges in connection with its offices, office furnishings and supplies, except as otherwise provided in this Contract.

7.0 INTENTIONALLY OMITTED

8.0 INTENTIONALLY OMITTED

9.0 INTENTIONALLY OMITTED

10.0 SPECIFIC WORK REQUIREMENTS

PART I: SHORT-TERM DISABILITY PLAN – MEGAFLEX EMPLOYEES ONLY

10.1 Plan Objective

The plan objective is to provide short-term income replacement for MegaFlex participants who are unable to work due to injury, illness or pregnancy.

10.2 Eligibility Requirements

To meet eligibility requirements, County employees must be MegaFlex cafeteria benefit plan participants. There is no requirement that the disability be service-related.

10.3 Benefit Coverage

10.3.1 All MegaFlex employees are automatically covered by the basic STD "core" coverage of seventy percent (70%) income replacement of their regular base salary, with a waiting period of fourteen (14) consecutive calendar days.

10.3.2 MegaFlex employees may purchase an enhanced benefit coverage that provides for a seven (7) consecutive calendar day waiting period followed by one hundred percent (100%) STD income replacement for twenty-one (21) consecutive calendar days, with eighty percent (80%) income replacement for the remainder of the STD period.

10.4 Duration of Benefits

The STD plan for MegaFlex employees offers income replacement benefits for a maximum period of twenty-six (26) weeks, minus the waiting period.

10.5 STD Disability Defined

Under the STD plan, "disability" means the temporary inability and incapacity of the claimant to perform either the regular or modified duties of their position with the County.

10.6 Benefit Offsets

An eligible employee's STD benefit is reduced by other income benefits that the employee receives for the same disability and the same period of disability, such as workers' compensation and/or County retirement benefits.

10.7 Disruption of STD Benefit Payments

In the event that the Contractor suspends or terminates an employee's benefit payment, the Contractor must advise both the claimant's department and DHR's Employee Benefits ("EB") Division in writing within five (5) Business Days of the benefit disruption to ensure that other benefits the employee may be receiving are not adversely impacted.

10.8 STD CLAIM ADMINISTRATION

10.8.1 The Contractor must apply disability benefits management procedures, guidelines and protocols consistently in keeping with the Contractor's established Claims Procedure Administration Manual across all cases.

10.8.2 The Contractor must respond, in accordance with confidentiality policies, to telephonic, electronic and written inquiries about the STD plan and claims from claimants, potential claimants, County Counsel, claimants' attorneys, representatives from workers' compensation, rehabilitation vendors, County personnel officers and other County personnel within three (3) Business Days.

10.8.3 The Contractor must provide DBU access to the Official Disability Guidelines ("ODG") used by the Contractor to adjudicate claims.

10.9 EMPLOYEE CLAIMS FOR STD BENEFITS

Claims will be initiated by calling a toll-free number or by using the Contractor's online portal.

10.9.1 The Contractor, at its expense, must provide both telephonic and electronic options for filing a claim:

- A twenty-four (24) hour toll-free (800) telephone line which supports all the area codes in the United States for both claimants (for the purpose of Claims Intake) and medical professionals.
- An online portal to initiate claims and obtain claim status information. All websites through which County employees may access the online portal must be coded using responsive web design, to ensure that information can be viewed on any device.

10.9.2 When an employee calls to report a claim, the Contractor must ensure the following information is obtained to facilitate eligibility determination:

- Confirmation that the employee is a MegaFlex participant;
- Employee identification data (employee number and department name or number);
- Start date and probable duration of disability.

10.9.3 At the time of the initial call, the Contractor must advise the claimant of the following:

- The requirement to provide the Contractor with all the pertinent information needed to process the claim no later than twenty-nine (29) calendar days from the disability start date;
- That failure to meet this deadline will result in the loss of one (1) day of STD benefits for each calendar day that the claim is incomplete.

10.9.4 The Contractor must produce and provide to the claimant via email a Claims Packet within one (1) Business Day of receiving the claimant's information. The Contractor must provide the claimant with an option to receive a hardcopy Claims Packet via US mail. If the claimant requests the hardcopy option, the Contractor must send this hardcopy Claims Packet to the claimant within one (1) Business Day of receiving the claimant's information. The Contractor must ensure that the Claims Packet includes:

- Welcome and introduction letter from the Contractor in response to the claim filed;
- Attending Physician Statement form;

- Authorization for Release of Information (“ROI”);
- Right of Reimbursement (“ROR”); and
- County of Los Angeles MegaFlex STD Plan Booklet.

10.10 **STD BENEFIT DETERMINATION AND NOTIFICATION**

10.10.1 The Contractor must determine if there is a companion workers’ compensation claim for the same disability and the same period of disability.

10.10.2 The Contractor must determine benefit eligibility within two (2) Business Days of having received complete information from the employee and their physician.

10.11 **STD CLAIM APPROVAL**

10.11.1 If the claimant is found to be eligible for benefits, the Contractor must, within two (2) Business Days, send the claimant a text notification of the claim approval (if the claimant has opted to receive text messages). Additionally, within the same time frame, the Contractor must provide an approval notice to the claimant, the claimant’s payroll unit, the claimant’s DMCC, and the DBU via the Contractor’s online portal and e-mail (as well as to the claimant via U.S. mail if the claimant elects this option).

The approval notice must include the following information:

- Employee Name;
- County Employee Number;
- Claim Number Assigned to Employee’s STD benefit claim;
- Department Code;
- Department Name;
- STD Benefit Option Elected (70 percent core or “buy-up”);
- The first day of disability for STD plan purposes;
- The dates of the waiting periods [fourteen (14) consecutive calendar days or seven (7) consecutive calendar days];
- Penalties, if any (e.g., loss of one (1) day of STD benefits for each day that the claim is incomplete);

- The dates of any period of authorized STD benefits;
- Approved return-to-work date.
- The dates of any part-time STD and the specific number of hours the employee is allowed to work while on part-time STD; and
- The dates of any period of disability denied and reason for denial.

10.12 **STD CLAIM DENIAL**

10.12.1 If the claimant is found to be ineligible for benefits, the Contractor must, within two (2) Business Days, notify the claimant via telephone. Additionally, within the same time frame, the Contractor must provide a denial notice to the claimant, the claimant's DMCC, and the DBU via the Contractor's online portal and e-mail. (Note: The Contractor must also provide this notice to the claimant via mail if the claimant elects this option). The denial notice must include the following:

- The reason for denial, including the applicable plan provisions that have not been met;
- Instructions on next steps to return to work; and
- Information on the appeals process.

10.12.2 Appeal of Denied STD Claim

1. The claimant will have fifteen (15) calendar days from the date of the denial notice to request an appeal. (Note: The claimant may request an appeal of a denied STD claim via the Contractor's online portal, e-mail, mail, fax, and/or a phone call to the Contractor.)
2. Upon receipt of the claimant's appeal request, the Contractor must assign the appeal to an independent evaluator for administrative review within three (3) Business Days and provide a confirmation notice to the claimant via the Contractor's online portal and e-mail (as well as via mail if the claimant elects this option). The confirmation notice must include the following information:

- Notice of the appeal receipt;
- Reference to any facts on which the original denial was based;
- Notice that the appeal determination is final; and
- Information on the appeals process and related timelines.

10.12.3 The Contractor must ensure that the independent evaluator provides an appeal decision within fifteen (15) Business Days after receipt of the request for appeal.

10.12.4 If there is missing medical or other information needed to support the appeal review process, the Contractor must send the claimant a text notification within five (5) Business Days of receiving the assignment of the appeal (if the claimant has opted to receive text messages). Additionally, the Contractor must provide a notice to the claimant via the Contractor's online portal and e-mail (as well as via mail if the claimant elects this option) within five (5) Business Days of receiving the assignment of the appeal, informing them that the file is incomplete. The notice must specifically outline the documents or information that are needed and will provide the claimant with a thirty (30) calendar day deadline for submitting the information.

10.12.5 In the event that the claimant needs additional time to submit medical records or other information to inform the appeals process, they may request an additional period not to exceed thirty (30) calendar days to submit any additional information to the independent evaluator to inform the appeal review.

10.12.6 The Contractor must ensure that the independent evaluator reviews all records in the claim file, along with new information or records, if any, submitted by the claimant with the appeals request.

10.12.7 **STD Claim Denial Upheld**

Should the independent evaluator uphold the initial determination of benefits denial, the Contractor must, within five (5) Business Days of the completed appeal review process, notify the claimant via telephone. Additionally, within the same timeframe, the Contractor must provide a personalized claim denial notice to the claimant via the Contractor's online portal and e-mail (as well as via mail if the claimant elects this option). The personalized claim denial notice must state the reason for the denial. The Contractor

must reference the medical reports on which the denial was based or any other specific information for the denial. The Contractor must ensure that the claimant will be provided with the opportunity to obtain copies of all claims' records upon request and at no charge.

10.12.8 **STD Claim Denial Overturned**

Should the independent evaluator overturn the initial determination of benefits denial, the Contractor must, within five (5) Business Days of the completed appeal review process, send the claimant a text notification that their claim denial was overturned (if the claimant has opted to receive text messages). Additionally, the Contractor must, within the same time frame, provide a personalized notice to the claimant via the Contractor's online portal and e-mail advising the claimant that the denial has been overturned and providing details about retrospective STD benefit eligibility.

10.13 **STD RECURRENT OR EXTENDED DISABILITY**

10.13.1 If an extension is requested and medical information is insufficient, the Contractor must obtain additional information or records and/or arrange for an independent medical evaluation as required.

10.13.2 If an extension is approved, the Contractor must prepare and provide a payment notification to claimant's departmental RTW Coordinator and payroll unit via the Contractor's online portal and e-mail. The Contractor must send a copy, on a voucher form, to the claimant via the Contractor's online portal and e-mail (as well as via mail if the claimant elects this option).

10.13.3 On a denial of continued benefits, the Contractor must notify the claimant via telephone, prepare the denial notice including appeals procedures and provide the denial notice to the claimant via the Contractor's online portal and e-mail (as well as via mail if the claimant elects this option) within five (5) Business Days of the determination.

10.13.4 **Release to Work with or without Restrictions**

In the event that the claimant is released to work with restrictions, the Contractor must advise the DBU and the claimant's DMCC.

10.13.4.1 The Contractor must provide support and relevant data to inform the department's Interactive Process Meeting as needed.

- 10.13.4.2 If the claimant is released to work by their treatment provider, the claimant's DMCC and the DBU will advise the Contractor so that benefits can be adjusted or terminated.

PART II: LONG-TERM DISABILITY PLAN: MEGAFLEX & NON-MEGAFLEX

10.14 Plan Objective

The plan objective is to provide long-term income replacement for eligible employees in the event of a qualifying disability.

10.15 Eligibility Requirements

To meet eligibility requirements, the employee must be a full-time permanent County employee, member of the retirement plans A, B, C, D, E, or G with the Los Angeles County Employee Retirement Association ("LACERA") and must complete a six-month qualifying waiting period. A non-MegaFlex Safety retirement member is excluded.

10.15.1 MegaFlex Eligibility

There is no requirement for five (5) years of service with the County.

10.15.2 Non-MegaFlex Eligibility

These employees must have five (5) years of service with the County. However, if the employee has less than five (5) years of service with the County, the disability must be service-related and approved by the County's workers' compensation third-party administrator.

10.16 Benefit Coverage

10.16.1 MegaFlex Coverage

In the event that an employee believes that their disability period will be for a period longer than six (6) months, they have the option to file an LTD claim with the Contractor within one (1) year of the first day of absence due to the disability.

- 10.16.2 The LTD plan for Retirement Plan E MegaFlex employees with five (5) or more years of service offers a core benefit that provides forty percent (40%) salary replacement coverage; these employees may purchase a higher benefit amount that provides up to sixty percent (60%) salary replacement coverage. All other MegaFlex Retirement

Plan members may purchase forty percent (40%) or sixty percent (60%) coverage.

10.16.3 Non-MegaFlex Coverage

The LTD plan for non-MegaFlex employees provides sixty percent (60%) salary replacement coverage.

10.17 **Maximum Duration of Benefits**

Benefits terminate at age 65 unless the employee's disability commences at age 62 or later, in which case the benefit payments may extend for a longer period beyond age 65 or be limited to a one (1) year period of disability at age 69, according to the LTD Plan Schedule, per County Code 5.38 (Long-Term Disability and Survivor Benefit Plan).

10.17.1 **LTD Disability Defined**

The LTD benefit has two separate definitions of "disability." For the qualifying period and the first twenty-four (24) months of disability benefits, "total disability" means the complete and continuous inability and incapacity of the employee to perform the duties of their position with the County. After the expiration of twenty-four (24) months of eligibility for benefit payments, "total disability" means that the employee meets the Federal Social Security Act definition of disability.

10.17.2 **Benefit Offsets**

An eligible employee's LTD benefit is reduced by other income benefits that the employee receives for the same disability and the same period of disability, such as worker's compensation and/or County retirement benefits. Although the LTD plan includes offsets for Social Security Disability benefits and State Disability Insurance benefits, the County has not contributed into these benefits since April 1, 1986. However, there may be circumstances, such as for employees hired prior to April 1, 1986 or employees with outside employment, where an employee may be eligible for these benefits.

10.17.3 **Disruption of LTD Benefit Payments**

In the event that the Contractor suspends or terminates an employee's benefit payment, the Contractor must advise DHR's EB and Disability Benefits Unit ("DBU") via e-mail and the Contractor's online portal within five (5) Business Days of the benefit disruption

to ensure that other benefits the employee may be receiving are not adversely impacted.

10.18 LTD CLAIMS ADMINISTRATION

10.18.1 The Contractor must apply disability benefits management procedures, guidelines and protocols consistently in keeping with the Contractor's established Claims Procedure Administration Manual across all cases.

10.18.2 The Contractor must respond, in accordance with confidentiality policies, to telephonic, electronic and written inquiries about the LTD plan and claims from claimants, potential claimants, County Counsel, claimants' attorneys, representatives from workers' compensation, rehabilitation vendors, and other County personnel within three (3) Business Days.

10.18.3 The Contractor must provide the DBU access to the ODG used by the Contractor to adjudicate claims.

10.18.4 The County will produce a monthly Absence Report to advise the Contractor of potential LTD benefit claimants. The County will electronically transmit the Absence Report to the Contractor monthly.

10.18.5 The Contractor must obtain a data feed from the County Employee Benefits administrator, which will include the following information:

- Claimant's date of hire, employee number, address, gender, birthdate, department and type of LTD benefit.

10.18.6 The Contractor must correspond with the claimant's department to obtain the following data information:

- The base pay for the twelve (12) months preceding the date of disability, and;
- The 'Time Variance' one year prior to disability start date with statement providing claimant's last day worked before determination of disability.

10.18.7 The Contractor must correspond with LACERA to obtain the following information:

- The claimant's retirement plan membership and the current retirement status; and

- If applicable, the retirement date with the initial retirement type and amount (without any Cost of Living Adjustment).

10.19 NOTICE OF LTD PLAN POTENTIAL ELIGIBILITY

10.19.1 The Contractor must provide via via mail an LTD benefit notice with claim application instructions to potential claimants listed on the monthly Absence Report within seven (7) Business Days of Report receipt.

10.19.2 If a potential claimant fails to respond to the LTD notice within thirty (30) calendar days, the Contractor must provide a reminder notice via mail within seven (7) Business Days of the expiration of the initial 30-day response period to advise the potential claimant that their benefit eligibility could be compromised if they fail to apply for benefits within sixty (60) calendar days of the mailing date of the reminder letter.

10.19.3 Potential claimants can contact the Contractor via the Contractor's toll-free number or the Contractor's online portal.

1) The Contractor, at its expense, must provide both telephonic and electronic options for filing a claim:

- A twenty-four (24) hour toll-free (800) telephone line which supports all the area codes in the United States for both claimants (for the purpose of Claims Intake) and medical professionals.
- An online portal for potential claimants to initiate claims and obtain claim status information. All websites for the County employees must be coded using responsive web design, that can be viewed on any device.

2) When a potential claimant calls to report a claim, the Contractor must ensure the following information is obtained to facilitate eligibility determination:

- Employee identification data (employee number and department name or number); and
- Start date of disability.

- 3) At the time of the initial call, the Contractor must advise the potential claimant of the requirement to provide the Contractor with all the pertinent information needed to process the claim.

10.20 NOTICE OF LTD CLAIM APPROVAL

10.20.1 The Contractor must send the claimant a text notification within five (5) Business Days of the determination of LTD claim approval (if the claimant has opted to receive text messages). Additionally, the Contractor must, within the same time frame, provide a notice of the approval of an LTD benefit claim to the claimant and the County's Project Monitor via the Contractor's online portal and e-mail (as well as via mail to the claimant if the claimant selects this option) within five (5) Business Days of the determination.

10.20.2 The approval notice must include the following information:

- Date of approval;
- Gross monthly benefit amount;
- Anticipated duration of benefits;
- Date of payments and benefit calculation sheets for each month covered by the initial benefit check;
- List of the offsets, if any, including the source and amount of the offsets;
- Net benefit amount after adjustments for offsets, if any; and
- Instructions on any actions required by the employee to maintain the claim at the time of approval and in the future, along with suggested deadlines to ensure no lapse in income.

10.21 NOTICE OF INCOMPLETE LTD CLAIM APPLICATION

10.21.1 In the event that an LTD benefit claim file is incomplete, the Contractor must send the claimant a text notification (if the claimant has opted to receive text messages). Additionally, the Contractor must provide a notice to the claimant via the Contractor's online portal and e-mail (as well as via mail if the claimant selects this option) to advise them of the status of their application and that their benefit eligibility could be compromised if they fail to submit the necessary documents within a thirty (30) calendar day period from the date of the status letter.

10.21.2 The notice must include the following information:

- Status of the claim;
- Detailed listing of missing document(s);
- Due date for submission of documents; and
- Consequences of failing to respond or submit documentation in a timely manner.

10.22 NOTICE OF LTD CLAIM DENIAL

10.22.1 The Contractor must, within seven (7) Business Days of the determination of the denial of an LTD benefit claim, notify the claimant of the denial via telephone and provide notice of the denial to the claimant and to the County's Project Monitor via the Contractor's online portal and e-mail (as well as via mail to the claimant if the claimant selects this option).

10.22.2 The Contractor must ensure that the denial notice includes the reason(s) for the denial, citing the relevant section(s) in the County Code and any other factor(s), and information on how to appeal the denial.

10.23 APPEAL OF LTD CLAIM DENIAL

10.23.1 The claimant will have sixty (60) calendar days from the initial denial notice date to request an appeal via the Contractor's online portal, email, and/or mail.

10.23.2 Within three (3) Business Days of receipt of the claimant's appeal request, the Contractor must notify the County's Project Monitor via the Contractor's online portal and e-mail , and refer the appeal request to the Contractor's national appeals unit.

10.23.3 The Contractor's national appeals unit will provide a decision to the claimant via telephone and provide notice of the denial to the claimant and the County's Project Monitor via the Contractor's online portal and e-mail (as well as via mail to the claimant if the claimant selects this option) within forty-five (45) Business Days after the appeal is requested.

10.23.4 In the event that the claimant needs additional time to submit medical records or other information, they may request a period not to exceed forty-five (45) calendar days to provide any

additional information to the Contractor's national appeals unit via e-mail. (Note: If the claimant does not have e-mail, they may mail the request to the County's Project Monitor or the Contractor, who will provide it to the Contractor's national appeals unit.)

- 10.23.5 The Contractor's national appeals unit will review all records in the claim file, along with new information or records, if any, submitted by the claimant with the appeals request and render a decision.

10.23.6 Hearing for Reconsideration

In the event of a subsequent denial, the Contractor must notify the claimant via telephone and provide a notice to the claimant via the online portal and e-mail (as well as via mail if the claimant selects this option) outlining the process to obtain a hearing for reconsideration with an independent hearing officer provided by the County. The claimant will have sixty (60) calendar days from the subsequent denial notice date to request a hearing. The hearing officer will conduct an administrative hearing and render a decision, which will be final.

10.24 BENEFIT PAYMENTS FOR APPROVED LTD CLAIMS

- 10.24.1 In order to calculate the benefit payment amount that a claimant is entitled to, the Contractor must compute the claimant's average monthly salary for the twelve (12) months preceding total disability.
- 10.24.2 The Contractor must obtain information on payment of any benefits or income, including:
- Workers' compensation temporary disability benefits;
 - Rehabilitation maintenance benefits;
 - Social Security Disability benefits;
 - Any other benefit from a public agency or under any employers' liability law paid for the same period of disability covered in the initial LTD payment to the claimant;
 - Any payments from the employee's department;
 - Retirement benefits paid under a County retirement plan; and
 - Outside earned income received for work performed after the date of disability.

- 10.24.3 The Contractor must make claim payments on a monthly or bi-monthly basis.
- 10.24.4 The Contractor must issue benefit checks from the County's Imprest Fund Bank Account or use alternative payment procedures as determined by the County.
- 10.24.5 The Contractor must ensure that direct deposit will be made available to all LTD and SB recipients.
- 10.24.6 The Contractor must respond to any inquiries regarding benefit payments within two (2) Business Days.

10.25 Income Tax Withholding & Reporting

- 10.25.1 The Contractor must calculate and withhold the appropriate income taxes from benefits paid to the claimant.
- 10.25.2 The Contractor must prepare and file the appropriate withholding tax returns on behalf of the County.
- 10.25.3 The Contractor must issue required W-2 forms to claimants and timely file reports with appropriate tax agencies.
- 10.25.4 The Contractor must respond to claimants' inquiries concerning benefits tax issues.

10.26 Annual Cost of Living Adjustments

In compliance with the applicable provisions of the County Code; and upon the County's determination of the approved cost-of-living percentage for a given year; the Contractor must apply the cost-of-living adjustment to the base monthly disability benefit on the first day of the month following the completion of twenty-four (24) months of eligibility. The Contractor must apply this cost-of-living adjustment annually thereafter for as long as claimant is entitled to benefits under the LTD plan. The cost-of-living adjustment for LTD recipients will not exceed two percent (2%) of the basic monthly benefit amount.

10.27 LTD CLAIMANT RETURN-TO-WORK

- 10.27.1 In the event that the claimant is released to work with restrictions, the Contractor must communicate closely with the DMC Unit and with DMCCs at the departmental level.
- 10.27.2 The Contractor must provide a copy of the claimant's medical release-to-work notice (either from the claimant's physician or the

Contractor's independent medical examiner ["IME"]) to a specialist from the DMC Unit, as well as to the DMCCs or their designees. The Contractor must ensure that the medical release does not include any medical information that is protected by HIPAA or the California Confidentiality of Medical Records Act. The Contractor must ensure that the medical release specifically articulates functional work restrictions/limitations (versus recommendations for accommodations) that can be used to facilitate the interactive process at the departmental level.

- 10.27.3 The claimant's department will monitor the claimant's accommodation for its effectiveness. If the claimant is unable to carry out their duties with or without reasonable accommodations, the claimant's department will communicate this information to DHR and the Contractor. The Contractor must monitor the claimant's LTD eligibility status and re-evaluate LTD benefits in accordance with the applicable provisions of the County code.

10.28 **FINAL DETERMINATION OF TOTAL DISABILITY**

- 10.28.1 Upon the conclusion of seventeen (17) months of LTD benefit eligibility, the Contractor must initiate a decision review of the claimant's LTD benefit status for total disability in accordance with the Federal Social Security Act. The final decision for total disability must be determined by the Contractor after twenty-three (23) months of benefit eligibility and prior to the end of the twenty-fourth (24th) month of LTD benefit eligibility.
- 10.28.2 The Contractor must notify the claimant, the DBU, and the DMCC or their designee of the determination to continue or terminate LTD benefits at end of the twenty-four (24) month period, as follows:
- 1) Determination to Continue LTD Benefits: If the claimant has opted to receive text messages, the Contractor must, within seven (7) Business Days of the Contractor's determination to continue LTD benefits, send a text notification to the claimant of this determination. Additionally, the Contractor must, within the same time frame, provide a notice of the determination to the claimant, the DBU, and the DMCC/designee via the Contractor's online portal and e-mail (as well as via mail to the claimant if the claimant selects this option).
 - 2) Determination to Terminate LTD Benefits: The Contractor must, within seven (7) Business Days of the Contractor's determination to terminate LTD benefits, notify the claimant

via telephone and provide a notice of the determination to the claimant, the DBU, and the DMCC/designee via the Contractor's online portal and e-mail (as well as via mail to the claimant if the claimant selects this option).

- 10.28.3 The Contractor must notify LACERA via e-mail and U.S. Mail when LTD benefits terminate for a claimant covered by Retirement Plan E within seven (7) Business Days of the LTD benefits termination.
- 10.28.4 The Contractor must respond, in accordance with confidentiality policies, to telephonic, electronic and written inquiries about the LTD plan and claims from claimants, potential claimants, County Counsel, claimants' attorneys, representatives from workers' compensation, rehabilitation vendors, County personnel officers and other County personnel within three (3) Business Days.
- 10.28.5 The Contractor must obtain verification of application for retirement benefits from LACERA for claimants who are covered by Retirement Plans A, B, C, D and G, and who otherwise qualify for benefits after twenty-four (24) months of LTD eligibility.
- 10.28.6 For those employees who are enrolled in the County's Optional Group Term Life Insurance program, the Contractor must send the claimant a text notification within seven (7) Business Days of the determination. Additionally, the Contractor must provide a notice to the claimant via the Contractor's online portal and e-mail (as well as via mail if the claimant selects this option) and the Group Term Life TPA via e-mail or mail of the claimant's eligibility for continued benefits within seven (7) Business Days of the determination.
- 10.28.7 On a quarterly basis, the Contractor must reconcile LTD benefits with federal death records to ensure benefits are not issued to deceased claimants.
- 10.28.8 In the event benefits are inadvertently issued to deceased claimants, the Contractor, upon determination of such error, must notify the County's Project Monitor via the Contractor's online portal and e-mail within seven (7) Business Days and must pursue the recovery of overpayments.
- 10.28.9 The Contractor must report back via the Contractor's online portal and e-mail on a quarterly basis on the success of the recovery efforts until the overpayment is corrected or the matter is closed.

10.29 STD AND LTD CLAIMS SERVICING

- 10.29.1 When applicable for LTD claims, the Contractor must obtain a copy of the Social Security Disability determination letter from the claimant.
- 10.29.2 The Contractor must obtain proof from each claimant at two points during the claim administration process that they have applied for Social Security Disability benefits. The Contractor must receive this proof upon initial claim filing and during the 17-month benefit eligibility review.
- 10.29.3 The Contractor must monitor the claimant's disability status, secure additional treating physician reports, as needed, and obtain verification of continuous medical supervision where such ongoing medical supervision is an eligibility requirement.
- 10.29.4 The Contractor must arrange for Independent Medical Evaluations ("IME") of the claimant as deemed necessary and review those reports to determine eligibility for the continuity of benefits.
- 10.29.5 Where the claimant has an STD or LTD claim and a workers' compensation claim, the Contractor must check the status of the workers' compensation claim and must review new claim information, including medical reports, on a monthly basis.
- 10.29.6 The Contractor must coordinate all workers' compensation claim handling, document management and benefit determination to avoid duplicate expense to the County.
- 10.29.7 At the initiation of benefits on an LTD claim with an open workers' compensation claim, the Contractor must prepare an opening lien with proof of service to be sent to the Workers' Compensation Appeals Board, the designated workers' compensation TPA, the assigned County Counsel representative and the claimant's attorney.
- 10.29.8 At the termination of benefits on an LTD claim with an open workers' compensation claim, the Contractor must prepare an ending lien, listing all benefits paid and send this document with proof of service to the appropriate parties as specified in Sub-paragraph 10.29.7 above.

- 10.29.9 The Contractor must review information on STD benefits paid and earned income received on a weekly basis and information on LTD claims on a monthly basis.
- 10.29.10 If any information affecting benefit payments changes, the Contractor must advise the STD claimant's payroll unit so they may recalculate the STD benefits along with the applicable tax withholding.
- 10.29.11 The Contractor must recalculate LTD claimants' benefits along with the applicable tax withholding and provide the claimant with a notice of the benefit change via the online portal and e-mail (as well as via mail if the claimant selects this option) within seven (7) Business Days of completing the recalculation.
- 10.29.12 The Contractor must continue to monitor and investigate any potentially fraudulent issues as appropriate, collaborate with the workers' compensation TPA and notify the County's Project Monitor within seven (7) Business Days of its collaboration with the workers' compensation TPA.
- 10.29.13 If there is a conflict with the medical information provided by the claimant's physician, the Contractor must arrange for a medical evaluation to be conducted by an IME.

PART III: SURVIVOR BENEFIT PLAN – NON-MEGAFLEX EMPLOYEES ONLY

The Contractor must provide SB Plan claims administration services to County non-Megaflex employees in accordance with the TPA's Claims Procedure Administration Manual. The Contractor must respond, in accordance with confidentiality policies, to telephonic, electronic and written inquiries about the SB Plan and claims from claimants, potential claimants, County Counsel, claimants' attorneys, County personnel officers and other County personnel within three (3) Business Days of the inquiry.

10.30 Eligibility Requirements

The SB Plan provides income replacement to an eligible surviving spouse or State-registered domestic partner of a County non-MegaFlex employee. The survivor must be eligible prior to the employee's date of death. In the absence of a spouse or domestic partner, income replacement will be paid to a minor child or children of a non-MegaFlex employee who was eligible to receive or was receiving LTD benefits. If an employee had less than five (5) years of continuous County service, their death must have been determined as being a direct consequence of their County job in order for the survivor to be eligible for benefits.

10.31 Coverage

The benefit is fifty-five percent (55%) of the LTD benefit after offsets that the employee was receiving or would have been eligible to receive prior to the date of death.

10.32 Duration of Benefits

The SB is payable throughout the lifetime of the spouse or domestic partner, or in the absence of a spouse or domestic partner, until each of the eligible children reaches age 18, or through the age of 21 if they are full-time students in an accredited school and/or unmarried.

10.33 If, prior to the date of death, the employee was enrolled in Long-Term Disability Health (“LTDH”), the surviving spouse or domestic partner will continue to receive seventy-five percent (75%) or one hundred percent (100%) of the monthly medical insurance premium for the previously enrolled medical insurance plan.

11.0 PERFORMANCE REQUIREMENTS SUMMARY

The Performance Requirements Summary (“PRS”) Chart, Attachment 2 of this Exhibit A (SOW), lists required services that will be monitored by the County during the term of this Contract is an important monitoring tool for the County.

The chart should:

- reference section of the Contract
- list required Services;
- indicate the method of monitoring; and
- indicate the deductions/fees to be assessed for each service that is not satisfactory.

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

12.0 TRANSITION SERVICES

12.1 Transition Services

12.1.1 Transition Support - County

Prior to the start date of the Contract, the County will notify the existing benefit claims third-party administration contractor to release (i.e., electronically transfer and provide for pick up, if necessary) all historical and take-over claims, including case files, and any other data and materials necessary for the Contractor to service this Contract, to the new Contractor, upon the new Contract's execution.

12.1.2 Transition Support - Contractor

During the transition period, as set forth in Exhibit B (Pricing Schedule), and as requested by the County throughout the Contract term, the Contractor must:

- 1) provide sufficient management support and staffing to effect an orderly transition of claims, including case files, if any, and any other data and materials, as described in SOW, Sub-paragraph 12.1.1;
- 2) ensure compliance with the County's encryption standards, and complete the project deliverables set forth in SOW, Sub-paragraph 12.1.3 to implement the Automated Management System;
- 3) retrieve and/or receive any electronic and/or hardcopy claims, case files, and any other data and materials, as described in SOW, Sub-paragraph 12.1.1, at the County's request and instruction; and
- 4) ensure that its key personnel attend the County's orientation to the County's LTD, SB, and STD plans, as set forth in SOW, Sub-paragraph 6.2.1 (Orientation and Transition Services).

12.1.3 Project Deliverables

This Sub-paragraph 12.1.3 describes the deliverables that the Contractor must complete to ensure the secure transmission of data and to implement the Contractor's Automated Management System described in this SOW, Sub-paragraph 6.6.7. The Contractor must work closely with the County and the County's Third-Party

Administrators (“TPA”) to provide project initiation and plan development, system integration, configuration and testing, data load migration, and Go-Live delivery (“Project”), as set forth in the following deliverables. The Contractor must work with the County to provide recommendations as appropriate on the management of active Project issues and risks during the Project tenure.

12.1.3.1 Deliverable 1 – Project Initiation and Plan Development Phase:

Under the direction of the County, the Contractor must provide a detailed Project Plan that will ensure the efficiency and effectiveness of Project activities and the timely submission of deliverables. The Project Plan must include schedules for all phases and activities.

1. Project Kickoff Meeting – The Contractor, the County, and the County’s TPAs must attend a kick-off meeting to review the scope and objectives of the Project, establish processes and controls, and identify the format and delivery method for Project documentation and deliverables.
2. Project Methodology – The Contractor must establish an agile project methodology to manage all activities and tasks for the Project, including stakeholder management, communication plans, risk management, scope management, and budget tracking.
3. Detailed Project Plans – The Contractor must work with County Project Management Team to develop the following:
 - Discovery/Design and Requirement Workshop Plan;
 - Testing Plan;
 - System Administrator and End User Training Plan;
 - Reporting Administrator End User Training Plan; and
 - Project Schedule

4. Weekly Status Reports and Meetings – Beginning one week after kick-off, the Contractor must deliver progress reports one day prior to the weekly status meetings to the County Project Managers or their designees to review progress throughout the duration of the Projects.

12.1.3.2 Deliverable 2 – Discovery/Design Phase:

The Contractor must conduct the workshops developed in Deliverable 1 to orient teams to the capabilities that are needed within the solution, facilitate the Contractor documenting the requirements into the functionality sought within the configured solution implementation, and consolidate the refined requirements into the functionality sought within the configured solution implementation, and consolidate the refined requirements collected during the workshops into the required technical artifacts that at minimum must include the following:

- a. Configuration workbook(s) that detail essential aspects of the custom solution;
- b. Integrations;
- c. Report mockups;
- d. Process and Data Maps; and
- e. Other documents that include details of the configuration specific to the implementation, or the technical architecture of the integrations developed for use within the solution.

The Contractor must work with the County and the County's TPAs to perform the following activities:

1. Review the Project scope and requirements;
2. Review and discuss the following:
 - All system requirements set forth in SOW, Sub-paragraph 6.6.7 (Automated Management System Requirements);
 - Reporting and notification requirements, as set forth in SOW, Sub-paragraphs 6.6.8 (Data Maintenance) and 6.6.9 (Notification for System

Enhancement) and 10.0 (Specific Work Requirements), and as instructed by the County;

- Testing requirements and planning;
- System Administration and Training Requirements;
- Production Go-Live requirements and planning; and
- Production Support.

12.1.3.3 Deliverable 3 – Configuration and Testing Phase:

Using the documentation collected during Discovery/Design Phase, the Contractor must build out a solution in preparation for User Acceptance Testing (“UAT”).

The Contractor must:

1. Configure test/pilot portal including Set Account Permissions;
2. Set up test/pilot environment (i.e., build out configurations; set up preferences and email triggers; set up roles and their respective security permissions; set up review and approval workflows; and build out all data feed integrations in test/pilot environment);
3. Provide an End-to-End Sample Demonstration;
4. Schedule and provide appropriate system training to County to prepare users for UAT testing and validation; and
5. Support County team during UAT testing and validation. Support must include:
 - Deliver Test Scripts in collaboration with County;
 - Triage (categorize and prioritize) reported issues and address prior to Go-Live; and

- Update configuration documentation with modifications identified and implemented.

12.1.3.4 Deliverable 4 – Data Load / Migration Phase:

Using the documentation collected during the Discovery/Design phase, the Contractor must migrate the historical data from the existing system to the Contractor's Automated Management System.

Data Load/Migration must include the following:

- Migrate historic data and documents in pilot; and
- Ensure historic data load has gone through initial validation in pilot.

12.1.3.5 Deliverable 5 – Go-Live Delivery Phase:

Using the documentation collected from the UAT activities, the Contractor must:

1. Configure production portal which must include Set Account Permissions;
2. Build out the solution that has reached UAT completion in the Live/Production environment in preparation for Go-Live;
3. Schedule and execute final historical data loads; and
4. Work with County Implementation team on Go-Live preparations, including:
 - Confirming Go-Live date;
 - Finalizing any integrations projects; and
 - Closing out any open issues/items.

12.1.3.6 Issue/Risk Management

The Contractor must work with the County to provide recommendations as appropriate on the management of active Project issues and risks during the Project tenure

and to assign responsibilities for implementing the following remediation steps:

1. Identify: Identify and document Project issues (current problems) and risks (potential events that impact the Project).
2. Analyze and Prioritize: Assess the impact and determine the highest priority risks and issues that will be managed actively.
3. Plan and Schedule: Determine how high-priority risks are to be managed and assign responsibility for risk management and issue resolution.
4. Track and Report: Monitor and report the status of risks and issues and communicate issue resolutions. Reported issues and risks must be remediated within forty-eight (48) hours of being reported/identified.

12.2 Transition Services – Responsibilities Upon Expiration or Termination

12.2.1 The Contractor must cooperate with the County to provide for a smooth transition from Contractor-provided Services to whatever service replacement method the County determines to be in the County's best interest. The Contractor must provide sufficient management support and staffing to effect an orderly transition, during the following transition periods:

1. Two (2) months prior to and two (2) months following non-renewal or expiration of the Contract in the ordinary course of business;
2. Two (2) months following the effective date of termination of the Contract upon the County's termination pursuant to Paragraph 8.43 (Termination for Default) of the Contract; and
3. Two (2) months following the effective date of notice of termination by the County for any reason other than a termination pursuant to Paragraph 8.43 (Termination for Default) of the Contract.

12.2.2 The Contractor must facilitate the disposition of all take-over and historical claims/case files, records, and any other data and materials generated for or provided by the County to service this Contract, as requested by the County, as set forth in this Section

12.0 of this SOW, and as further defined in Section 3.0 of Exhibit H (Information Security and Privacy Requirements) to the Contract.

(Note: The Contractor will not be entitled to any compensation or other fees for transition services provided following the expiration, non-renewal or termination of the Contract for any reason.)

STATEMENT OF WORK

ATTACHMENTS

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CONTRACT DISCREPANCY REPORT

CONTRACTOR RESPONSE DUE BY _____ (enter date and time)

Date: Click or tap here to enter text.		Contractor Response Received: Click or tap here to enter text.	
Contractor: Click or tap here to enter text.	Contract No.: Click or tap here to enter text.	County's Project Manager: Click or tap here to enter text.	
Contact Person: Click or tap here to enter text.	Telephone: Click or tap here to enter text.	County's Project Manager Signature:	
Email: Click or tap here to enter text.		Email: Click or tap here to enter text.	

A contract discrepancy(s) is specified below. The Contractor will take corrective action and respond back to the **County personnel** identified above by the date required. Failure to take corrective action or respond to this Contract Discrepancy Report by the date specified may result in the deduction of damages.

No.	Contract Discrepancy	Contractor's Response*	County Use Only		
			Date Correction Due	Date Completed	Approved
1	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
2	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
3	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.

***Use additional sheets if necessary**

<i>Contractor's Representative Signature</i>	Click or tap here to enter text. <i>Date Signed</i>
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Additional Comments: Click or tap here to enter text.

PERFORMANCE REQUIREMENTS SUMMARY (PRS) CHART

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEES TO BE ASSESSED
Contract: Sub-paragraph 7.2.1 - Administration of Contract- Contractor's Project Manager	The Contractor to notify the County in writing of any change in name or address of the Project Manager and designated alternate, as set forth in the Contract, Sub-paragraph 7.2.1.	Inspection & Observation	\$100 per occurrence
Contract: Sub-paragraph 7.6.4 - Confidentiality	The Contractor to cause each employee performing services covered by the Contract to sign Exhibit F2 (Contractor Employee Acknowledgement and Confidentiality Agreement) and submit to the County within ten (10) Business Days of Contract inception or the start of each employee's employment, as set forth in the Contract, Sub-paragraph 7.6.4. The Contractor to cause each non-employee performing services covered by the Contract to sign Exhibit F3 (Contractor Non-Employee Acknowledgment and Confidentiality Agreement) and submit to the County within ten (10) Business Days of Contract inception or the start of each non-employee's provision of Contract services, as set forth in the Contract, Sub-paragraph 7.6.4.	Submission and Inspection of Contract File	\$100 per occurrence

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
Contract: Paragraph 7.7 – Negotiations/Settlement	The Contractor to obtain written approval from a designated representative of the County prior to the initiation of negotiations for a settlement agreement, as set forth in the Contract, Paragraph 7.7.	Inspection and Observation	\$5,000 per occurrence
Contract: Paragraph 8.38 - Record Retention & Inspection/Audit Settlement	The Contractor to maintain all required documents as specified in the Contract, Paragraph 8.38.	Inspection of files	\$100 per occurrence
Contract: Paragraph 8.40 - Subcontracting	The Contractor to obtain the County's written approval prior to subcontracting any work.	Inspection & Observation	\$100 per occurrence; possible termination for default of Contract
SOW: Paragraph 3.1 – Quality Control Plan	The Contractor to establish and utilize a comprehensive Quality Control Plan to assure the County a consistently high level of service throughout the term of the Contract. The Contractor to submit the Quality Control Plan to the County's Contract Project Monitor for review within thirty (30) Business Days of Contract execution, as set forth in SOW, Section 3.0.	Submission of Plan	\$500 for initial day late; and \$100 per additional day late

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
SOW: Sub-paragraph 3.2.1 – Customer Satisfaction	The Contractor to issue a periodic survey to all County claimants for disability benefits at claim decision and claim closure to obtain customer satisfaction data, and must share this data with the County along with recommendations on how to address any deficiencies or opportunities for improved service within seven (7) Business Days of its findings, as set forth in SOW, Sub-paragraph 3.2.1.	Submission of Survey Results and Observation	\$150 per initial day late, and \$100 per additional day late
SOW: Sub-paragraph 3.3.2 – Recordings and Transcripts	The Contractor to ensure that recordings and transcripts of telephonic conversations, email records and/or chat messages between the Contractor's specialists and claimants can be reviewed by the County upon request and not to exceed one (1) Business Day of the County's request.	Inspection and Observation of Availability of recordings and transcripts	\$250 per initial day late, and \$150 per additional day late
SOW: Paragraph 4.1 – Monthly Meetings	The Contractor is required to attend scheduled monthly meetings, or more frequently upon the County's request, as set forth in SOW, Paragraph 4.1.	Attendance	\$500 per occurrence

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
SOW: Paragraph 4.3 – Contract Discrepancy Report	The Contractor to verbally notify the County’s Project Manager whenever a Contract discrepancy is identified, respond in writing to the County’s Project Manager within five (5) Business Days of receipt of the County’s Master Contract Discrepancy Report, and submit plan for correction of all deficiencies identified in this report within five (5) Business Days, as set forth in SOW, Paragraph 4.3.	Inspection & Observation	\$250 for initial day late, and \$100 per each additional day late.
SOW: Sub-paragraph 6.2.3 - Imprest Fund Bank Account - For LTD and SB Claims Only, Sub-paragraph 6.2.3.3	The Contractor to submit a monthly request for funds to pay the monthly benefits due at least five (5) Business Days prior to payment, as set forth in SOW, Sub-paragraph 6.2.3.3.	Inspection & Observation	\$500 per initial day late, and \$250 per additional day late
SOW: Sub-paragraph 6.2.3 - Imprest Fund Bank Account - For LTD and SB Claims Only, Sub-paragraph 6.2.3.5	The Contractor to provide to the County a monthly reconciliation of funds received and disbursed from the Imprest Fund Bank Account, as set forth in SOW, Sub-paragraph 6.2.3.5.	Inspection & Observation	\$150 per initial day late, and \$100 per additional day late
SOW: Sub-paragraph 6.2.3 - Imprest Fund Bank Account - For LTD and SB Claims Only, Sub-paragraph 6.2.3.6	The Contractor to respond to the CashPro Activity Alert Notifications regarding any Positive Pay exception report within the timeframe specified by the County, as set forth in SOW, Sub-paragraph 6.2.3.6.	Inspection & Observation	\$150 per initial day late, and \$100 per additional day late

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
SOW: Sub-paragraph 6.2.4 - Format of Correspondence and Reports, Sub-paragraph 6.2.4.3	The Contractor to produce reports no later than ten (10) Business Days from the request, as set forth in SOW, Sub-paragraph 6.2.4.3.	Inspection & Observation	\$150 per initial day late, and \$100 per additional day late
SOW: Sub-paragraph 6.3.1.1	The Contractor to provide a telephone number where the Project Manager/alternate may be reached between 8:00 am and 5:00 pm Pacific Time, Monday through Friday, except County holidays, as set forth in SOW, Sub-paragraph 6.3.1.1.	Observation	\$250 per occurrence
SOW, Sub-paragraph 6.3.1.4	The Contractor's Project Manager must have at least three (3) years' experience within the last seven (7) years overseeing third-party administration services for short-term and long-term disability claims (including survivor benefit claims), equivalent or similar in scope to the services described in Exhibit A (SOW), Section 10.0 (Specific Work Requirements), for public and/or private sector entities with a minimum population of 35,000 covered employees.	Inspection & Observation	\$1,000 per occurrence

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
SOW: Sub-paragraph 6.6.3 – Data Transfer	The Contractor to provide a computerized data transfer that utilizes encryption to the County on a semi-annual basis, as described in SOW, Sub-paragraph 6.6.3.	Submission of Data Transfer	\$300 per occurrence
SOW: Sub-paragraph 6.6.4.1 – Claim Administration Procedure Manual	The Contractor to provide a "Claims Administration Procedure Manual" describing policies and procedures for the administration of County cases within three (3) months of Contract award, as set forth in SOW, Sub-paragraph 6.6.4.1.	Submission of Plan and Observation	\$500 for initial day late and \$50 per additional day late.
SOW: Sub-paragraph 6.6.4.2 – Business Continuity Plan	The Contractor to provide a written Business Continuity Plan describing a structured and integrated process that ensures uninterrupted provision of critical services within one (1) month of Contract award, as set forth in SOW, Sub-paragraph 6.6.4.2.	Submission of Plan and Observation	\$1,000 for initial day late and \$50 per additional day late.
SOW: Sub-paragraph 6.6.5 – Plan Documents	The Contractor to mail the County-provided LTD and STD pamphlets via first class mail on a mutually agreed upon date, as determined by the County, as set forth in SOW, Sub-paragraph 6.6.5.	Inspection & Observation	\$250 per initial day late, and \$150 per additional day late.

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
SOW: Sub-paragraph 6.6.10.5	The Contractor to gather survey data and report back to the County on a quarterly basis, as set forth in SOW, Sub-paragraph 6.6.10.5.	Inspection & Observation	\$150 per initial day late, and \$100 per additional day late.
SOW: Sub-paragraph 6.6.11.2 – Record Retention	The Contractor to retain all records, including all historical and takeover case files and all case files created by the Contractor under this Contract, for the duration of this Contract, or as required by all applicable federal, state or local regulations for recordkeeping that apply to the Contractor, whichever is longer, as set forth in SOW, Sub-paragraph 6.6.11.2.	Inspection & Observation	\$5,000 per occurrence and an additional \$200 per individual record not retained as required by the Contract.
SOW: Sub-paragraph 6.6.11.2 – Record Retention	The Contractor to ensure that no claims information or documentation is destroyed without the County Project Manager’s approval, and the Contractor must be responsible for storage of all files retained during the term of this Contract, as set forth in SOW, Sub-paragraph 6.6.11.2.	Inspection & Observation	\$10,000 per occurrence and \$500 per claim

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
SOW: Sub-paragraph 6.6.11.3	The Contractor must create a duplicate and separate electronic copy of each takeover case file and new case file created under this Contract, in accordance with all HIPAA, privacy and other applicable laws, as set forth in SOW, Sub-paragraph 6.6.11.3.	Inspection & Observation	\$500 per case file
SOW: Paragraph 6.7 - Training	The Contractor shall provide training, as specified in SOW, Paragraph 6.7.	Inspection & Observation	\$100 per occurrence
SOW: Paragraph 6.8 – Contractor’s Office	The Contractor to ensure that the Contractor’s office has email and a telephone number with voicemail for County to leave messages, and that the Contractor returns County voicemails and e-mails no later than one (1) Business Day of the date the voicemail or e-mail message was sent, as set forth in SOW, Paragraph 6.8.	Observation	\$250 for initial day late and \$100 per additional day late
SOW: Section 10.0 – Specific Work Requirements	The Contractor must provide the Specific Work Requirements, as specified in SOW, Section 10.0.	Inspection & Observation	\$100 per occurrence (this remedy applies to all Specific Work Requirements of SOW, Section 10.0 that are not already listed separately in this PRS).

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
SOW: Paragraph 10.7 – Disruption of STD Benefit Payments	The Contractor to advise both the claimant’s department and DHR’s Employee Benefits (“EB”) Division in writing within five (5) Business Days of an employee’s benefit disruption to ensure other benefits are not adversely impacted, as set forth in SOW, Paragraph 10.7.	Inspection and Observation	\$150 per initial day late, and \$100 per additional day late
SOW: Paragraph 10.8 - STD Claim Administration, Sub-paragraph 10.8.1	The Contractor to apply disability and survivor benefit management procedures, guidelines and protocols consistently in keeping with the Contractor’s established Claims Procedure Administration Manual across all cases, as set forth in SOW, Sub-paragraph 10.8.1.	Inspection and Observation	\$100 per occurrence
SOW: Sub-paragraph 10.8.2	The Contractor to respond, in accordance with confidentiality policies, to inquiries about the STD plan and claims within three (3) Business Days, as set forth in SOW, Sub-paragraph 10.8.2.	Inspection and Observation	\$150 per initial day late, and \$100 per additional day late
SOW: Sub-paragraphs 10.9.1 and 10.19.3.	The Contractor, at its expense, to provide both telephonic and electronic options for filing an STD and LTD claims, as set forth in SOW, Sub-paragraphs 10.9.1 and 10.19.3.	Inspection and Observation	\$250 per occurrence

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEES TO BE ASSESSED
SOW: Sub-paragraph 10.9.2 – Eligibility Determination	When employee calls to report a claim, the Contractor to obtain the required information listed in SOW, Sub-paragraph 10.9.2.	Inspection and Observation	\$100 per occurrence
SOW: Sub-paragraph 10.9.4 – Claims Packet	The Contractor to produce and provide a Claims Packet to the claimant, as set forth in SOW, Sub-paragraph 10.9.4, within one (1) Business Day.	Inspection and Observation	\$150 per initial day late, and \$100 per additional day late
SOW: Sub-paragraph 10.10.2	The Contractor to determine benefit eligibility within two (2) Business Days of having received complete information from the employee and their physician, as set forth in SOW, Sub-paragraph 10.10.2.	Inspection and Observation	\$150 per initial day late, and \$100 per additional day late
SOW: Sub-paragraph 10.11.1 – STD Claim Approval	If claimant is found to be eligible for benefits, the Contractor to provide a text and approval notice, as detailed in SOW, Sub-paragraph 10.11.1, within two (2) Business Days to the parties listed in SOW, Sub-paragraph 10.11.1 and include all required information listed therein.	Inspection and Observation	\$150 per initial day late, and \$100 per additional day late

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
SOW: Sub-paragraph 10.12.1 – STD Claim Denial	If claimant is found to be ineligible for benefits, the Contractor to notify claimant via telephone and provide a denial notice, as detailed in SOW, Sub-paragraph 10.12.1, within two (2) Business Days to the parties listed in SOW, Sub-paragraph 10.12.1 and include all required information listed therein.	Inspection and Observation	\$150 per initial day late, and \$100 per additional day late
SOW: Sub-paragraph 10.12.2 – Appeal of Denied STD Claim	Upon receipt of claimant's appeal request, the Contractor to assign the appeal to an independent evaluator within three (3) Business Days and provide a confirmation notice to the claimant, as detailed in SOW, Sub-paragraph 10.12.12, including all required information listed in SOW, Sub-paragraph 10.12.2.	Inspection and Observation	\$150 per initial day late, and \$100 per additional day late
SOW: Sub-paragraph 10.12.3	The Contractor to ensure that the independent evaluator provides an appeal decision within fifteen (15) Business Days after receipt of the request for appeal, as set forth in SOW, Sub-paragraph 10.12.3.	Inspection and Observation	\$150 per initial day late, and \$100 per additional day late

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
SOW: Sub-paragraph 10.12.4 – Appeal of Denied Claim, Incomplete File	If there is missing medical or other information needed to support the appeal review process, the Contractor to send a text notification and provide a notice to the claimant, within five (5) Business Days of receiving the assignment of the appeal, informing them that the file is incomplete, as detailed in SOW, Sub-paragraph 10.12.4.	Inspection and Observation	\$150 per initial day late, and \$100 per additional day late
SOW: Sub-paragraph 10.12.7 – STD Claim Denial Upheld	The Contractor to notify claimant via telephone and provide a personalized claim denial notice to claimant within five (5) Business Days of the completed appeal review process and include all required information, as detailed in SOW, Sub-paragraph 10.12.7.	Inspection and Observation	\$150 per initial day late, and \$100 per additional day late
SOW: Sub-paragraph 10.12.8 – STD Claim Denial Overturned	The Contractor to send the claimant a text notification and provide a personalized notice of STD claim denial overturned to the claimant, as detailed in SOW, Sub-paragraph 10.12.8 within five (5) Business Days of the completed appeal review process and include all required information listed in SOW, Sub-paragraph 10.12.8.	Inspection and Observation	\$150 per initial day late, and \$100 per additional day late

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEES TO BE ASSESSED
SOW: Sub-paragraph 10.13.3	On a denial of continued benefits, the Contractor to notify the claimant via telephone, prepare the denial notice including appeals procedures, and provide the denial notice to the claimant within five (5) Business Days of the determination, as set forth in SOW, Sub-paragraph 10.13.3.	Inspection and Observation	\$150 per initial day late, and \$100 per additional day late
SOW: Sub-paragraph 10.17.3 – Disruption of LTD Benefit Payments	The Contractor to advise DHR's EB and Disability Benefits Unit within five (5) Business Days of the benefit disruption, as set forth in SOW, Sub-paragraph 10.17.3.	Inspection and Observation	\$150 per initial day late, and \$100 per additional day late
SOW: Sub-paragraph 10.18 – LTD Claim Administration, Sub-paragraph 10.18.1	The Contractor to apply disability and survivor benefit management procedures, guidelines and protocols consistently in keeping with the Contractor's established Claims Procedure Administration Manual across all cases, as set forth in SOW, Sub-paragraph 10.18.1.	Inspection and Observation	\$100 per occurrence
SOW: Sub-paragraph 10.18.2	The Contractor to respond, in accordance with confidentiality policies, to inquiries about the LTD plan and claims within three (3) Business Days, as set forth in SOW, Sub-paragraph 10.18.2.	Inspection and Observation	\$150 per initial day late, and \$100 per additional day late

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
SOW: Sub-paragraph 10.19.1 – Notice of LTD Plan Potential Eligibility	The Contractor to provide an LTD benefit notice with claim application instructions to potential claimants listed on the monthly Absence Report within seven (7) Business Days, as set forth in SOW, Sub-paragraph 10.19.1.	Inspection and Observation	\$150 per initial day late, and \$100 per additional day late
SOW: Sub-paragraph 10.19.2 – LTD Reminder Notice	For potential claimants that fail to respond to the LTD notice within 30 calendar days, the Contractor to provide a reminder notice within seven (7) Business Days of the 30-day response period, as set forth in SOW, Sub-paragraph 10.19.2.	Inspection & Observation	\$150 per initial day late, and \$100 per additional day late
SOW: Paragraph 10.20 – Notice of LTD Claim Approval, Sub-paragraph 10.20.1	The Contractor to send the claimant a text notification to the claimant and provide a notice of the approval of an LTD benefit claim to the claimant and the County within five (5) Business Days of the determination, as set forth in SOW, Sub-paragraph 10.20.1.	Inspection & Observation	\$150 per initial day late, and \$100 per additional day late
SOW: Sub-paragraphs 10.22.1 and 10.22.2 – Notice of LTD Claim Denial	The Contractor to notify the claimant of the denial of an LTD benefit claim via telephone and provide notice of the denial to the claimant and the County within seven (7) Business Days of the determination, as set forth in SOW, Sub-paragraphs 10.22.1 and 10.22.2.	Inspection and Observation	\$150 per initial day late, and \$100 per additional day late

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEES TO BE ASSESSED
SOW: Paragraph 10.23.2 – Appeal of LTD Claim Denial	Within three (3) Business Days of receipt of a claimant’s appeal request, the Contractor must notify the County’s Project Monitor and refer the appeal request to the Contractor’s national appeals unit, as set forth in SOW, Sub-paragraph 10.23.2.	Inspection and Observation	\$150 per initial day late, and \$100 per additional day late
SOW: Sub-paragraph 10.24.3	The Contractor to make claim payments on a monthly or bi-monthly basis, as set forth in SOW, Sub-paragraph 10.24.3.	Inspection and Observation	\$300 per occurrence
SOW: Sub-paragraph 10.24.6	The Contractor to respond to any inquiries regarding benefit payments within two (2) Business Days, as set forth in SOW, Sub-paragraph 10.24.6.	Inspection and Observation	\$150 per initial day late, and \$100 per additional day late
SOW: Paragraph 10.28 – Final Determination of Total Disability, Sub-paragraph 10.28.1	The Contractor to determine the final decision for total disability after twenty-three (23) months of benefit eligibility and prior to the end of the twenty-fourth (24 th) month of LTD benefit eligibility, as set forth in SOW, Sub-paragraph 10.28.1.	Inspection and Observation	\$500 per occurrence
SOW: Sub-paragraph 10.28.2 Notification of Total Disability Determination	The Contractor to notify the parties listed in SOW, Paragraphs 10.28.2 within seven (7) calendar days of the Contractor’s determination, as set forth in SOW, Sub-paragraph 10.28.2, 1) and 2)	Inspection and Observation	\$150 per initial day late, and \$100 per additional day late

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
SOW: Sub-paragraph 10.28.3	The Contractor to notify LACERA when LTD benefits terminate for a claimant covered by Retirement Plan E within seven (7) Business Days of the LTD benefits termination, as set forth in SOW, Sub-paragraph 10.28.3.	Inspection and Observation	\$150 per initial day late, and \$100 per additional day late
SOW: Sub-paragraph 10.28.4	The Contractor to respond, in accordance with confidentiality policies, to LTD and claim inquiries within three (3) Business Days, as set forth in SOW, Sub-paragraph 10.28.4.	Inspection and Observation	\$150 per initial day late, and \$100 per additional day late
SOW: Sub-paragraphs 10.28.6	The Contractor to send the claimant a text notification and provide notice to the claimant and the Group Term Life TPA of the claimant's eligibility for continued benefits within seven (7) Business Days of the determination, as set forth in SOW, Sub-paragraph 10.28.6.	Inspection and Observation	\$150 per initial day late, and \$100 per additional day late
SOW: Sub-paragraphs 10.28.7 – Reconciliation of LTD Benefits with Federal Death Records	The Contractor to reconcile LTD benefits with federal death records on a quarterly basis, as set forth in SOW, Sub-paragraphs 10.28.7.	Inspection and Observation	\$150 per initial day late, and \$100 per additional day late

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
SOW: Sub-paragraph 10.28.8 – Reconciliation of LTD Benefits with Federal Death Records	The Contractor to notify the County’s Project Monitor via the Contractor’s online portal and e-mail within seven (7) Business Days when benefits are inadvertently issued to deceased claimants, as set forth in SOW, Sub-paragraph 10.28.8.	Inspection and Observation	\$250 per initial day late, and \$150 per additional day late
SOW: Sub-paragraphs 10.28.9 – Reconciliation of LTD Benefits with Federal Death Records	The Contractor to report back on a quarterly basis on the success of recovery efforts until the overpayment is corrected or the matter is closed, as set forth in SOW, Sub-paragraphs 10.28.9.	Inspection and Observation	\$150 per initial day late, and \$100 per additional day late
SOW: Sub-paragraph 10.29.5 to 10.29.8 – STD/LTD Claims and Workers’ Compensation Claims	Where a claimant has both an STD or LTD claim and a workers’ compensation claim, the Contractor to perform services as set forth in SOW, Sub-paragraphs 10.29.5 to 10.29.8.	Inspection and Observation	\$100 per occurrence
SOW: Sub-paragraph 10.29.11	The Contractor to recalculate LTD claimants’ benefits along with the applicable tax withholding and provide a notice of the benefit change, as set forth in SOW, Sub-paragraph 10.29.11, to the claimant within seven (7) Business Days.	Inspection and Observation	\$150 per initial day late, and \$100 per additional day late

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
SOW: Sub-paragraph 10.29.12	The Contractor to notify the County within seven (7) Business Days of its collaboration with the workers' compensation TPA, as set forth in SOW, Sub-paragraph 10.29.12.	Inspection and Observation	\$150 per initial day late, and \$100 per additional day late
SOW: Part III: Survivor Benefit Plan – Non-Megaflex Employees Only	The Contractor to respond, in accordance with confidentiality policies, to inquiries about the SB Plan and claims within three (3) Business Days of the inquiry, as set forth in SOW, Part III (Survivor Benefit Plan – Non-Megaflex Employees Only).	Inspection and Observation	\$150 per initial day late, and \$100 per additional day late
SOW: Sub-paragraph 12.1.2, Transition Support – Contractor	During the transition period, as set forth in Exhibit B (Pricing Schedule), and as requested by the County throughout the Contract term, the Contractor must provide the transition support described in SOW, Sub-paragraph 12.1.2, 1), 2), 3) and 4).	Inspection and Observation	\$5,000 per occurrence

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
SOW: Sub-paragraph 12.2, Transition Services – Responsibilities Upon Expiration or Termination	The Contractor must cooperate with the County to provide for a smooth transition from Contractor-provided Services to whatever service replacement method the County determines to be in the County’s best interest, and must provide sufficient management support and staffing to effect an orderly transition during the transition periods set forth in SOW, Sub-paragraph 12.2.1. The Contractor must facilitate the disposition of all take-over and historical claims/case files and any other data and materials generated for or provided by the County to service this Contract, as requested by the County, as set forth in this Section 12.0 of this SOW, and as further defined in Section 3.0 of Exhibit H (Information Security and Privacy Requirements) to the Contract, as set forth in SOW, Sub-paragraph 12.2.2.	Inspection and Observation	\$5,000 per occurrence

**COUNTY OF LOS ANGELES
ELIGIBLE AND PARTICIPATING EMPLOYEES
FOR
SHORT AND LONG-TERM DISABILITY AND
SURVIVOR PLAN BENEFITS**

As of July 31, 2022

1. County workforce eligible for LTD/SB and/or STD/LTD Plans: 112,608
2. Employees eligible for Non-MegaFlex LTD/SB Plan (approx.): 85,146
3. Employees participating in MegaFlex LTD and STD Plans:
 - **LTD:** 13,256
 - **STD:** 15,081
 - a) 70% - 14-Day Waiting Period: 6,986
 - b) 100% - 7-day Waiting Period: 8,095
4. Number of County Departments: 55

LONG-TERM DISABILITY AND SURVIVOR BENEFITS: WORKLOAD STATISTICS

LTD claims include general population, and Mega LTD Claims includes MegaFlex. Claim status is determined at the end of each calendar month.

The total under all the columns for "Open Claims" in each year's data was based on the average total number. Open claims include pending, active and suspended claims.

2021 MONTH	LTD Claims		Survivor Claims		Mega LTD Claims	
	New Claims	Open Claims	New Claims	Open Claims	New Claims	Open Claims
Jan	34	1667	5	1399	11	248
Feb	30	1681	11	1406	8	250
Mar	32	1691	10	1413	11	254
Apr	18	1637	19	1425	4	239
May	33	1637	5	1424	15	246
Jun	32	1643	4	1425	13	250
Jul	51	1641	8	1428	14	249
Aug	62	1644	4	1429	13	244
Sep	65	1652	2	1430	24	251
Oct	57	1656	3	1431	20	265
Nov	58	1660	5	1429	24	271
Dec	60	1685	4	1428	28	281
	Total: 532	Average Yearly Total: 1658	Total: 80	Average Yearly Total: 1423	Total: 185	Average Yearly Total: 277

**LONG-TERM DISABILITY AND SURVIVOR BENEFITS:
WORKLOAD STATISTICS**

2020 MONTH	LTD Claims		Survivor Claims		Mega LTD Claims	
	New Claims	Open Claims	New Claims	Open Claims	New Claims	Open Claims
Jan	85	1526	28	1387	18	251
Feb	64	1517	28	1384	19	238
Mar	86	1498	22	1395	22	235
Apr	82	1472	26	1396	24	239
May	62	1479	23	1399	26	240
Jun	68	1480	18	1396	26	247
Jul	41	1473	25	1405	27	245
Aug	64	1473	16	1407	17	247
Sep	91	1454	12	1405	17	251
Oct	68	1446	26	1411	31	252
Nov	78	1451	18	1414	33	250
Dec	99	1429	29	1427	28	247
	Total: 888	Average Yearly Total: 1475	Total: 271	Average Yearly Total: 1402	Total: 288	Average Yearly Total: 245

**LONG-TERM DISABILITY AND SURVIVOR BENEFITS:
WORKLOAD STATISTICS**

2019	LTD Claims		Survivor Claims		Mega LTD Claims	
MONTH	New Claims	Open Claims	New Claims	Open Claims	New Claims	Open Claims
Jan	95	1571	14	1343	35	278
Feb	81	1616	12	1348	21	279
Mar	69	1601	21	1363	24	270
Apr	43	1551	24	1366	19	262
May	52	1548	12	1358	23	259
Jun	75	1553	9	1356	28	266
Jul	84	1569	15	1356	28	277
Aug	85	1563	17	1370	12	261
Sep	18	1520	15	1376	13	262
Oct	52	1513	27	1389	22	263
Nov	82	1524	22	1386	19	258
Dec	76	1529	13	1388	19	254
	Total: 812	Average Yearly Total: 1555	Total: 201	Average Yearly Total: 1367	Total: 263	Average Yearly Total: 266

**LONG-TERM DISABILITY AND SURVIVOR BENEFITS:
WORKLOAD STATISTICS**

2018	LTD Claims		Survivor Claims		Mega LTD Claims	
MONTH	New Claims	Open Claims	New Claims	Open Claims	New Claims	Open Claims
Jan	93	1598	1	1308	21	266
Feb	81	1603	1	1307	29	277
Mar	64	1559	1	1309	13	267
Apr	90	1577	9	1319	17	264
May	101	1572	6	1316	27	272
Jun	88	1585	4	1319	19	270
Jul	75	1581	3	1320	18	257
Aug	69	1560	5	1321	33	270
Sep	58	1570	9	1325	28	281
Oct	93	1581	3	1326	20	270
Nov	49	1564	9	1331	29	274
Dec	49	1550	4	1332	27	283
	Total: 910	Average Yearly Total: 1575	Total: 55	Average Yearly Total: 1319	Total: 281	Average Yearly Total: 271

**LONG-TERM DISABILITY AND SURVIVOR BENEFITS:
WORKLOAD STATISTICS**

2017 MONTH	LTD Claims		Survivor Claims		Mega LTD Claims	
	New Claims	Open Claims	New Claims	Open Claims	New Claims	Open Claims
Jan	96	1591	5	1303	21	250
Feb	55	1581	5	1307	14	248
Mar	74	1563	12	1313	20	240
Apr	52	1546	4	1313	15	235
May	114	1596	6	1317	19	248
Jun	90	1596	9	1324	20	255
Jul	61	1598	3	1320	24	261
Aug	105	1613	5	1321	25	268
Sep	58	1586	3	1318	16	261
Oct	68	1575	5	1317	22	255
Nov	106	1601	3	1312	25	265
Dec	58	1600	2	1312	23	273
	Total: 937	Average Yearly Total: 1587	Total: 62	Average Yearly Total: 1315	Total: 244	Average Yearly Total: 255

HEARING LOG

Hearing Log 2018-2022							
Appeal Letter Received	Pre-Hearing Conference	Hearing	Decision Date	Decision	Benefit Status as of 6/30/20	Benefit Status as of 6/30/2021	Benefit Status as of 6/30/2022
11/30/2017	1/8/2018	3/29/2018	5/12/2018	Overtured	Approved	Approved	Approved
11/28/2017	1/9/2018	3/22/2018	5/7/2018	Overtured	Terminated	Terminated	Terminated
10/2/2017	1/31/2018	No Hearing	5/21/2018	Upheld	Denied	Denied	Denied
12/15/2018	3/1/2019	5/16/2019	6/28/2019	Remanded	Denied	Denied	Denied
10/18/2016	3/18/2019	6/13/2019	7/29/2019	Upheld	Terminated	Terminated	Terminated
5/1/2019	5/29/2019	8/28/2019	10/11/2019	Upheld	Terminated	Terminated	Terminated
8/25/2019	10/17/2019	1/15/2020	2/21/2020	Upheld	Denied	Denied	Denied
9/11/2019	11/25/2019	3/2/2020	4/16/2020	Upheld	Terminated	Terminated	Terminated
1/13/2020	4/1/2020	5/5/2020	5/28/2020	Upheld	Denied	Denied	Denied
12/14/2019	4/8/2020	7/30/2020	9/11/2020	Overtured	Approved	Terminated	Terminated
4/6/2020	4/30/2020	7/15/2020	8/17/2020	Upheld	Terminated	Terminated	Reinstated/Approved
1/17/2020	5/12/2020	8/18/2020	9/8/2020	Upheld	Denied	Denied	Denied
3/30/2020	5/14/2020	9/1/2020	10/13/2020	Upheld	Denied	Denied	Denied
4/21/2020	6/18/2020	9/22/2020	11/5/2020	Upheld	Terminated	Terminated	Terminated
7/23/2020	8/27/2020	11/4/2020	12/7/2020	Upheld	Denied	Denied	Denied
7/30/2020	10/1/2020	12/10/2020	1/8/2021	Upheld	Terminated	Terminated	Terminated
8/24/2020	10/9/2020	No Hearing	N/A	N/A	Denied	Denied	Denied
8/25/2020	10/14/2020	11/2/2020	12/12/2020	Upheld	Terminated	Terminated	Terminated
12/10/2020	3/10/2021	6/9/2021	7/23/2021	Overtured	Approved	Terminated	Terminated
2/12/2021	3/10/2021	6/10/2021	7/23/2021	Upheld	Denied	Denied	Denied
7/9/2021	8/11/2021	11/4/2021	12/10/2021	Upheld	N/A	Approved	Terminated
7/26/2021	8/31/2021	11/4/2021	12/15/2021	Upheld	Terminated	Terminated	Terminated
8/25/2021	10/6/2021	1/13/2022	2/21/2022	Upheld	Approved	Terminated	Terminated
11/18/2021	3/17/2022	6/21/2022	6/21/2022	Upheld	N/A	Denied	Denied
3/10/2022	4/4/2022	6/23/2022	5/18/2022	Upheld	N/A	N/A	Denied
4/21/2022	6/9/2022	8/11/2022	8/23/2022	Upheld	Approved	Approved	Terminated

SERVICE LEVEL AGREEMENT

SERVICE LEVEL AGREEMENT

This Service Level Agreement is subject to the terms and conditions of this Contract and does not become operative until the County has signed off on Implementation, training is completed for all products purchased, and the online portal is live on the Contractor's production environment. For clarity, this Service Level Agreement applies only to "live" portals.

SERVICE LEVEL AGREEMENT

DEFECTS

A "Defect" is a technical defect with the Contractor's application and/or those portions of software integrations within the Contractor's control. Defects fall into two general categories: major (Severity 1 and Severity 2) and minor (Severity 3). The "Severity" of a Defect is determined by the County, subject to the following definitions and parameters.

Major Defects

- **Severity 1 (S1):** A Defect that results in at least one of the following: (i) the Contractor's URL produces no results, or (ii) the County's authorized users cannot log in to the Contractor's application after repeated attempts. "Severity 1" does not include downtime for maintenance.
- **Severity 2 (S2):** A Defect that results in any of the following: (i) an entire application module is inaccessible; no queue will process any transactions; (iv) no report within the application produces any data or the data has not been refreshed in fewer than twenty-four (24) hours; or (v) no tasks will launch.

	S1	S2
Initial Notification	One (1) hour via an Incident Report	
Status Updates	Every two (2) hours until resolution or as indicated in the Incident Report	
Resolution	Twelve (12) hours	Twenty-four (24) hours
Remedy	In the event that the Contractor has not complied with its "Resolution" obligations set forth above, then, for each calendar day (or portion thereof) that the Contractor has not so complied, the County shall be entitled, as its sole and exclusive remedy therefor, to a credit against the County's next invoice equal to 1/365th of the annual fees for the affected Software set forth in the Contract.	

Minor Defects

- **Severity 3 (S3):** A Defect in one or more application features.

For "Severity 3" Defects, the County determines its priority in having the Defect resolved [i.e., Priority 1 (P1), Priority 2 (P2), or Priority 3 (P3)]. Any issue not clearly labeled "Priority 1" or "Priority 2" by the County at the time of initial submission will be deemed a "Priority 3" issue.

As a guideline, below are some examples of the three priority levels:

- **Priority 1** = A prominent feature that County routinely uses that is important to the services is not working , and multiple users are prevented from progressing with important tasks. There is no work-around.
- **Priority 2** = A feature that is troublesome when it doesn't work, but multiple users are not prevented from progressing with important tasks. A work-around exists.
- **Priority 3** = A feature issue that is neither Priority 1 nor Priority 2, including without limitation, cosmetic issues with the application.

	S3/P1	S3/P2	S3/P3
Case Generation	Upon submission		
Status Updates	Available 24/7 via self-service portal.		
Resolution	Thirty (30) calendar days	Sixty (60) calendar days	Within a reasonable time period
Remedy	In the event that the Contractor has not complied with its "Resolution" obligations for S3/P1 and S3/P2 set forth above, then the County shall give the Contractor prompt, written notice of such non-compliance. If, after five (5) Business Days from receipt of such notice of non-compliance, the Contractor still has not resolved the problem, then the County shall be entitled, as its sole and exclusive remedy therefor, to a one-time credit against the County's next invoice equal to 1/365th of the annual fees for Software set forth in the Contract.		N/A

UPGRADE/DOWNGRADE OF PRIORITY LEVEL

If, during the case submission process, the Contractor reasonably determines, in consultation with the County, that the issue either warrants assignment of a higher priority level than currently assigned or no longer warrants the priority level currently assigned based on its current impact on the production operation of application, then the priority level will be upgraded or downgraded, in consultation with the County, to the priority level that most appropriately reflects its current impact.

GENERAL QUERIES

The Contractor endeavors to respond to all general queries about the application within one (1) Business Day.

SOFTWARE AVAILABILITY

The Contractor will provide at least 99.5% availability per calendar month to Software (excluding scheduled maintenance periods, which usually occur at or after 5:30 p.m. US Pacific Standard Time on Fridays). In the event that the Contractor has not complied with this Software availability obligation, then, for each 0.3% (or portion thereof) of availability below 99.5%, the County will be entitled to a credit against the County's next invoice equal to 1/365th of the annual fees for Software set forth in the Contract.

To claim a credit, the County must submit a credit request within thirty (30) days of the event giving rise to a credit. Upon receiving the request, the Contractor shall have five (5) Business Days to respond.

PRICING SCHEDULE¹

SHORT-TERM DISABILITY, LONG-TERM DISABILITY AND SURVIVOR BENEFIT CLAIMS ADMINISTRATION SERVICES

Program	Cost Frequency	Initial Term					Optional Extended Terms ²				Contract Cost
		Transition Period December 5, 2023 - December 31, 2023	Initial Term Monthly Costs			Initial Term Total	Optional Extended Terms Monthly Costs			Extension Terms Total	
			Contract Year 1 (2024)	Contract Year 2 (2025)	Contract Year 3 (2026)		Contract Year 4 (2027)	Contract Year 5 (2028)	Contract Year 6 (2029)		
STD	Monthly	\$ 0.00	\$ 20,724	\$ 21,138	\$ 21,561	\$ 761,085	\$ 21,993	\$ 21,993	\$ 21,993	\$ 791,748	\$ 1,552,833
LTD	Monthly	\$ 0.00	\$ 140,544	\$ 143,355	\$ 146,222	\$ 5,161,450	\$ 149,147	\$ 149,147	\$ 149,147	\$ 5,369,292	\$ 10,530,742
SB	Monthly	\$ 0.00	\$ 9,290	\$ 9,476	\$ 9,665	\$ 341,173	\$ 9,859	\$ 9,859	\$ 9,859	\$ 354,924	\$ 696,097
Total Monthly Cost for STD, LTD & SB Programs:		\$ 0.00	\$ 170,558	\$ 173,969	\$ 177,449		\$ 180,999	\$ 180,999	\$ 180,999		
											Total Contract Cost for STD, LTD & SB Programs
Total Annual Cost for STD, LTD & SB Programs:		\$ 0.00	\$ 2,046,696	\$ 2,087,630	\$ 2,129,383	\$ 6,263,708	\$ 2,171,988	\$ 2,171,988	\$ 2,171,988	\$ 6,515,964	\$ 12,779,672
											TOTAL CONTRACT SUM:
											<u>\$ 12,779,672</u>

¹The Contractor shall perform all services described in the Contract at the pricing set forth in this Exhibit B (Pricing Schedule). The Contractor's pricing shall include all costs incurred by the Contractor in handling submitted claims except for services performed by third-party vendors, referred to as "pass-through expenses," as set forth in the Contract, Sub-paragraph 5.2.2.1, that are over \$350 per claim. The Contractor will pay all third-party vendor expenses that are \$350 or less per claim.

²Years 4, 5 and 6 are optional, by mutual agreement of the County and the Contractor.

INTENTIONALLY OMITTED

COUNTY'S ADMINISTRATION

CONTRACT NO. 78290

COUNTY PROJECT DIRECTOR:

Name: Dr. Sepideh Souris
Title: Senior Human Resources Manager
Address: 510 S. Vermont Avenue, 12th Floor
Los Angeles, CA 90020
Telephone: 213-433-7222
Facsimile: N/A
E-Mail Address: ssouris@hr.lacounty.gov

COUNTY PROJECT MANAGER:

Name: Rashae Walsh
Title: Principal Analyst, Human Resources
Address: 510 S. Vermont Avenue, 12th Floor
Los Angeles, CA 90020
Telephone: 213-219-4876
Facsimile: N/A
E-Mail Address: rwalsh@hr.lacounty.gov

COUNTY PROJECT MONITOR:

Name: Humphrey Ahaiwe
Title: Human Resources Analyst IV
Address: 510 S. Vermont Avenue, 12th Floor
Los Angeles, CA 90020
Telephone: 213-433-7204
Facsimile: N/A
E-Mail Address: hahaiwe@hr.lacounty.gov

CONTRACTOR'S ADMINISTRATION**CONTRACTOR'S NAME: Sedgwick Claims Management Services****CONTRACT NO: 78290****CONTRACTOR'S PROJECT MANAGER:**

Name: Robert Ray

Title: Client Services Director

Address: 2201 W. Royal Lane, Suite 125
Irving TX 75063

Telephone: 469-243-2260

Facsimile: _____

E-Mail Address: robert.ray@sedgwick.com

CONTRACTOR'S ALTERNATE PROJECT MANAGER:

Name: Carey Nielsen

Title: Director of Operations & Client Services

Address: 8521 Fallbrook, Suite 250
West Hills CA 91304

Telephone: 805-630-9515

Facsimile: _____

E-Mail Address: carey.nielsen#sedgwick.com

CONTRACTOR'S AUTHORIZED OFFICIAL(S)

Name: Michael Shook

Title: Senior Vice President

Address: 8125 Sedgwick Way
Memphis, TN 38125

Telephone: 901-415-7400

Facsimile: 901-415-7409

E-Mail Address: legalcontracts@sedgwick.com

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

Name: Susan Dumas
Title: Senior Vice President Workforce Absence
Address: 2201 W. Royal Ln, Suites 125
Irving TX 75063-3303
Telephone: 469-417-6295
Facsimile: 818 591-7664
E-Mail Address: susan.dumas@sedgwick.com

Notices to Contractor shall be sent to the following:

Name: General Counsel - Americas
Title: _____
Address: 8125 Sedgwick Way
Memphis TN 38125
Telephone: 901-415-7400
Facsimile: 901-415-7409
E-Mail Address: legalcontracts@sedgwick.com

FORMS REQUIRED AT THE TIME OF CONTRACT EXECUTION

NON-IT CONTRACTS

F1 CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

AND

F2 CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY
AGREEMENT

AND

F3 CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY
AGREEMENT

CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

CONTRACTOR NAME Sedgwick Claims Management Services, Inc. Contract No. 78290

GENERAL INFORMATION:

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

CONTRACTOR ACKNOWLEDGEMENT:

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

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

CONFIDENTIALITY AGREEMENT:

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

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

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

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

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

SIGNATURE: Michael Shook DATE: 10 / 30 / 2023

PRINTED NAME: Michael Shook

POSITION: Senior Vice President

CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

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

Contractor Name Sedgwick Claims Management Services, Inc. Contract No. 78290

Employee Name _____

GENERAL INFORMATION:

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

EMPLOYEE ACKNOWLEDGEMENT:

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

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

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

CONFIDENTIALITY AGREEMENT:

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

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

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

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

SIGNATURE: _____

DATE: ____/____/____

Type text here

PRINTED NAME: _____

POSITION: _____

CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

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

Contractor Name Sedgwick Claims Management Services, Inc. Contract No. 78290

Non-Employee Name _____

GENERAL INFORMATION:

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

NON-EMPLOYEE ACKNOWLEDGEMENT:

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

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

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

CONFIDENTIALITY AGREEMENT:

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

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

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

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

SIGNATURE: _____

DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

THERE'S A BETTER CHOICE. SAFELY SURRENDER YOUR BABY.

Any fire station. Any hospital. Any time.



1.877.222.9723

BabySafeLA.org

No shame | No blame | No names



Some parents of newborns can find themselves in difficult circumstances. Sadly, babies are sometimes harmed or abandoned by parents who feel that they're not ready or able to raise a child. Many of these mothers or fathers are afraid and don't know where to turn for help.

This is why California has a Safely Surrendered Baby Law, which gives parents the choice to legally leave their baby at any hospital or fire station in Los Angeles County.

FIVE THINGS YOU NEED TO KNOW ABOUT BABY SAFE SURRENDER

- 1 Your newborn can be surrendered at any hospital or fire station in Los Angeles County up to 72 hours after birth.
- 2 You must leave your newborn with a fire station or hospital employee.
- 3 You don't have to provide your name.
- 4 You will only be asked to voluntarily provide a medical history.
- 5 You have 14 days to change your mind; a matching bracelet (parent) and anklet (baby) are provided to assist you if you change your mind.

No shame | No blame | No names



ABOUT THE BABY SAFE SURRENDER PROGRAM

In 2002, a task force was created under the guidance of the Children's Planning Council to address newborn abandonment and to develop a strategic plan to prevent this tragedy.

Los Angeles County has worked hard to ensure that the Safely Surrendered Baby Law prevents babies from being abandoned. We're happy to report that this law is doing exactly what it was designed to do: save the lives of innocent babies. Visit BabySafeLA.org to learn more.

No shame | No blame | No names

ANY FIRE STATION.
ANY HOSPITAL.
ANY TIME.

1.877.222.9723
BabySafeLA.org

THERE'S A
BETTER CHOICE.
SAFELY SURRENDER
YOUR BABY.



BabySafeLA.org

No shame | No blame | No names





FROM SURRENDER TO ADOPTION: ONE BABY'S STORY

Los Angeles County firefighter Ted and his wife Becki were already parents to two boys. But when they got the call asking if they would be willing to care for a premature baby girl who'd been safely surrendered at a local hospital, they didn't hesitate.

Baby Jenna was tiny, but Ted and Becki felt lucky to be able to take her home. "We had always wanted to adopt," Ted says, "but taking

home a vulnerable safely surrendered baby was even better. She had no one, but now she had us. And, more importantly, we had her."

Baby Jenna has filled the longing Ted and Becki had for a daughter—and a sister for their boys. Because her birth parent safely surrendered her when she was born, Jenna is a thriving young girl growing up in a stable and loving family.

ANSWERS TO YOUR QUESTIONS

Who is legally allowed to surrender the baby?

Anyone with lawful custody can drop off a newborn within the first 72 hours of birth.

Do you need to call ahead before surrendering a baby?

No. A newborn can be surrendered anytime, 24 hours a day, 7 days a week, as long as the parent or guardian surrenders the child to an employee of the hospital or fire station.

What information needs to be provided?

The surrendering adult will be asked to fill out a medical history form, which is useful in caring for the child. The form can be returned later and includes a stamped return envelope. No names are required.

What happens to the baby?

After a complete medical exam, the baby will be released and placed in a safe and loving home, and the adoption process will begin.

What happens to the parent or surrendering adult?

Nothing. They may leave at any time after surrendering the baby.

How can a parent get a baby back?

Parents who change their minds can begin the process of reclaiming their baby within 14 days by calling the Los Angeles County Department of Children and Family Services at (800) 540-4000.

If you're unsure of what to do:

You can call the hotline 24 hours a day, 7 days a week and anonymously speak with a counselor about your options or have your questions answered.

1.877.222.9723 or BabySafeLA.org

English, Spanish and 140 other languages spoken.

INFORMATION SECURITY AND PRIVACY REQUIREMENTS EXHIBIT

The County of Los Angeles (“County”) is committed to safeguarding the Integrity of the County systems, Data, Information and protecting the privacy rights of the individuals that it serves. This Information Security and Privacy Requirements Exhibit (“Exhibit”) sets forth the County and the Contractor’s commitment and agreement to fulfill each of their obligations under applicable state or federal laws, rules, or regulations, as well as applicable industry standards concerning privacy, Data protections, Information Security, Confidentiality, Availability, and Integrity of such Information. The Information Security and privacy requirements and procedures in this Exhibit are to be established by the Contractor before the Effective Date of the Contract and maintained throughout the term of the Contract.

These requirements and procedures are a minimum standard and are in addition to the requirements of the underlying base agreement between the County and Contractor (the “Contract”) and any other agreements between the parties. However, it is the Contractor's sole obligation to: (i) implement appropriate and reasonable measures to secure and protect its systems and all County Information against internal and external Threats and Risks; and (ii) continuously review and revise those measures to address ongoing Threats and Risks. Failure to comply with the minimum requirements and procedures set forth in this Exhibit will constitute a material, non-curable breach of Contract by the Contractor, entitling the County, in addition to the cumulative of all other remedies available to it at law, in equity, or under the Contract, to immediately terminate the Contract. To the extent there are conflicts between this Exhibit and the Contract, this Exhibit shall prevail unless stated otherwise.

1. DEFINITIONS

Unless otherwise defined in the Contract, the definitions herein contained are specific to the uses within this exhibit.

- a. **Availability:** the condition of Information being accessible and usable upon demand by an authorized entity (Workforce Member or process).
- b. **Confidentiality:** the condition that Information is not disclosed to system entities (users, processes, devices) unless they have been authorized to access the Information.
- c. **County Information:** all Data and Information belonging to the County.
- d. **Data:** a subset of Information comprised of qualitative or quantitative values.
- e. **Incident:** a suspected, attempted, successful, or imminent Threat of unauthorized electronic and/or physical access, use, disclosure, breach, modification, or destruction of information; interference with Information Technology operations; or significant violation of County policy.
- f. **Information:** any communication or representation of knowledge or understanding such as facts, Data, or opinions in any medium or form, including electronic, textual, numerical, graphic, cartographic, narrative, or audiovisual.
- g. **Information Security Policy:** high level statements of intention and direction of an organization used to create an organization’s Information Security Program as formally expressed by its top management.

- h. **Information Security Program:** formalized and implemented Information Security Policies, standards and procedures that are documented describing the program management safeguards and common controls in place or those planned for meeting the County's information security requirements.
- i. **Information Technology:** any equipment or interconnected system or subsystem of equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of Data or Information.
- j. **Integrity:** the condition whereby Data or Information has not been improperly modified or destroyed and authenticity of the Data or Information can be ensured.
- k. **Mobile Device Management (MDM):** software that allows Information Technology administrators to control, secure, and enforce policies on smartphones, tablets, and other endpoints.
- l. **Privacy Policy:** high level statements of intention and direction of an organization used to create an organization's Privacy Program as formally expressed by its top management.
- m. **Privacy Program:** A formal document that provides an overview of an organization's privacy program, including a description of the structure of the privacy program, the resources dedicated to the privacy program, the role of the organization's privacy official and other staff, the strategic goals and objectives of the Privacy Program, and the program management controls and common controls in place or planned for meeting applicable privacy requirements and managing privacy risks.
- n. **Risk:** a measure of the extent to which the County is threatened by a potential circumstance or event, Risk is typically a function of: (i) the adverse impacts that would arise if the circumstance or event occurs; and (ii) the likelihood of occurrence.
- o. **Threat:** any circumstance or event with the potential to adversely impact County operations (including mission, functions, image, or reputation), organizational assets, individuals, or other organizations through an Information System via unauthorized access, destruction, disclosure, modification of Information, and/or denial of service.
- p. **Vulnerability:** a weakness in a system, application, network or process that is subject to exploitation or misuse.
- q. **Workforce Member:** employees, volunteers, and other persons whose conduct, in the performance of work for Los Angeles County, is under the direct control of Los Angeles County, whether or not they are paid by Los Angeles County. This includes, but may not be limited to, full and part time elected or appointed officials, employees, affiliates, associates, students, volunteers, and staff from third party entities who provide service to the County.

2. INFORMATION SECURITY AND PRIVACY PROGRAMS

- a. **Information Security Program.** The Contractor shall maintain a company-wide Information Security Program designed to evaluate Risks to the Confidentiality, Availability, and Integrity of the County Information covered under this Contract.

Contractor's Information Security Program shall include the creation and maintenance of Information Security Policies, standards, and procedures. Information Security Policies, standards, and procedures will be communicated to all Contractor employees in a relevant, accessible, and understandable form and will be regularly reviewed and evaluated to ensure

operational effectiveness, compliance with all applicable laws and regulations, and addresses new and emerging Threats and Risks.

The Contractor shall exercise the same degree of care in safeguarding and protecting County Information that the Contractor exercises with respect to its own Information and Data, but in no event less than a reasonable degree of care. The Contractor will implement, maintain, and use appropriate administrative, technical, and physical security measures to preserve the Confidentiality, Integrity, and Availability of County Information.

The Contractor's Information Security Program shall:

- Protect the Confidentiality, Integrity, and Availability of County Information in the Contractor's possession or control;
 - Protect against any anticipated Threats or hazards to the Confidentiality, Integrity, and Availability of County Information;
 - Protect against unauthorized or unlawful access, use, disclosure, alteration, or destruction of County Information;
 - Protect against accidental loss or destruction of, or damage to, County Information; and
 - Safeguard County Information in compliance with any applicable laws and regulations which apply to the Contractor.
- b. **Privacy Program.** The Contractor shall establish and maintain a company-wide Privacy Program designed to incorporate Privacy Policies and practices in its business operations to provide safeguards for Information, including County Information. The Contractor's Privacy Program shall include the development of, and ongoing reviews and updates to Privacy Policies, guidelines, procedures and appropriate workforce privacy training within its organization. These Privacy Policies, guidelines, procedures, and appropriate training will be provided to all Contractor employees, agents, and volunteers. The Contractor's Privacy Policies, guidelines, and procedures shall be continuously reviewed and updated for effectiveness and compliance with applicable laws and regulations, and to appropriately respond to new and emerging Threats and Risks. The Contractor's Privacy Program shall perform ongoing monitoring and audits of operations to identify and mitigate privacy Threats.

The Contractor shall exercise the same degree of care in safeguarding the privacy of County Information that the Contractor exercises with respect to its own Information, but in no event less than a reasonable degree of care. The Contractor will implement, maintain, and use appropriate privacy practices and protocols to preserve the Confidentiality of County Information.

The Contractor's Privacy Program shall include:

- A Privacy Program framework that identifies and ensures that the Contractor complies with all applicable laws and regulations;
- External Privacy Policies, and internal privacy policies, procedures and controls to support the privacy program;
- Protections against unauthorized or unlawful access, use, disclosure, alteration, or destruction of County Information;

- A training program that covers Privacy Policies, protocols and awareness;
- A response plan to address privacy Incidents and privacy breaches; and
- Ongoing privacy assessments and audits.

3. PROPERTY RIGHTS TO COUNTY INFORMATION

All County Information is deemed property of the County, and the County shall retain exclusive rights and ownership thereto. County Information shall not be used by the Contractor for any purpose other than as required under this Contract, nor shall such or any part of such be disclosed, sold, assigned, leased, or otherwise disposed of, to third parties by the Contractor, or commercially exploited or otherwise used by, or on behalf of, the Contractor, its officers, directors, employees, or agents. The Contractor may assert no lien on or right to withhold from the County, any County Information it receives from, receives addressed to, or stores on behalf of, the County. Notwithstanding the foregoing, the Contractor may aggregate, compile, and use County Information in order to improve, develop or enhance the System Software and/or other services offered, or to be offered, by the Contractor, provided that (i) no County Information in such aggregated or compiled pool is identifiable as originating from, or can be traced back to the County, and (ii) such Data or Information cannot be associated or matched with the identity of an individual alone, or linkable to a specific individual. The Contractor specifically consents to the County's access to such County Information held, stored, or maintained on any and all devices Contractor owns, leases or possesses.

4. CONTRACTOR'S USE OF COUNTY INFORMATION

The Contractor may use County Information only as necessary to carry out its obligations under this Contract. The Contractor shall collect, maintain, or use County Information only for the purposes specified in the Contract and, in all cases, in compliance with all applicable local, state, and federal laws and regulations governing the collection, maintenance, transmission, dissemination, storage, use, and destruction of County Information, including, but not limited to, (i) any state and federal law governing the protection of personal Information, (ii) any state and federal security breach notification laws, and (iii) the rules, regulations and directives of the Federal Trade Commission, as amended from time to time.

5. SHARING COUNTY INFORMATION AND DATA

The Contractor shall not share, release, disclose, disseminate, make available, transfer, or otherwise communicate orally, in writing, or by electronic or other means, County Information to a third party for monetary or other valuable consideration.

6. CONFIDENTIALITY

- Confidentiality of County Information.** The Contractor agrees that all County Information is Confidential and proprietary to the County regardless of whether such Information was disclosed intentionally or unintentionally, or marked as "confidential".
- Disclosure of County Information.** The Contractor may disclose County Information only as necessary to carry out its obligations under this Contract, or as required by law, and is prohibited from using County Information for any other purpose without the prior express written approval of the County's contract administrator in consultation with the County's Chief Information Security Officer and/or Chief Privacy Officer. If required by a court of competent jurisdiction or an administrative body to disclose County Information, the Contractor shall notify the County's

contract administrator immediately and prior to any such disclosure, to provide the County an opportunity to oppose or otherwise respond to such disclosure, unless prohibited by law from doing so.

- c. **Disclosure Restrictions of Non-Public Information.** While performing work under the Contract, the Contractor may encounter County Non-public Information (“NPI”) in the course of performing this Contract, including, but not limited to, licensed technology, drawings, schematics, manuals, sealed court records, and other materials described and/or identified as “Internal Use”, “Confidential” or “Restricted” as defined in [Board of Supervisors Policy 6.104 – Information Classification Policy](#) as NPI. The Contractor shall not disclose or publish any County NPI and material received or used in performance of this Contract. This obligation is perpetual.
- d. **Individual Requests.** The Contractor shall acknowledge any request or instructions from the County regarding the exercise of any individual’s privacy rights provided under applicable federal or state laws. The Contractor shall have in place appropriate policies and procedures to promptly respond to such requests and comply with any request or instructions from the County within seven (7) calendar days. If an individual makes a request directly to the Contractor involving County Information, the Contractor shall notify the County within five (5) calendar days and the County will coordinate an appropriate response, which may include instructing the Contractor to assist in fulfilling the request. Similarly, if the Contractor receives a privacy or security complaint from an individual regarding County Information, the Contractor shall notify the County as described in Section 14 SECURITY AND PRIVACY INCIDENTS, and the County will coordinate an appropriate response.
- e. **Retention of County Information.** The Contractor shall not retain any County Information for any period longer than necessary for the Contractor to fulfill its obligations under the Contract and applicable law, whichever is longest.

7. CONTRACTOR EMPLOYEES

The Contractor shall perform background and security investigation procedures in the manner prescribed in the Contract, Paragraph 7.5 (Background and Security Investigations).

The Contractor shall require all employees, agents, and volunteers to abide by the requirements in this Exhibit, as set forth in the Contract, and sign an appropriate written Confidentiality/non-disclosure agreement with the Contractor.

The Contractor shall supply each of its employees with appropriate, annual training regarding Information Security procedures, Risks, and Threats. The Contractor agrees that training will cover, but may not be limited to the following topics:

- a) **Secure Authentication:** The importance of utilizing secure authentication, including proper management of authentication credentials (login name and password) and multi-factor authentication.
- b) **Social Engineering Attacks:** Identifying different forms of social engineering including, but not limited to, phishing, phone scams, and impersonation calls.
- c) **Handling of County Information:** The proper identification, storage, transfer, archiving, and destruction of County Information.

- d) **Causes of Unintentional Information Exposure:** Provide awareness of causes of unintentional exposure of Information such as lost mobile devices, emailing Information to inappropriate recipients, etc.
- e) **Identifying and Reporting Incidents:** Awareness of the most common indicators of an Incident and how such indicators should be reported within the organization.
- f) **Privacy:** The Contractor's Privacy Policies and procedures as described in Section 2b. Privacy Program.

The Contractor shall have an established set of procedures to ensure the Contractor's employees promptly report actual and/or suspected breaches of security.

8. SUBCONTRACTORS AND THIRD PARTIES

The County acknowledges that in the course of performing its services, the Contractor may desire or require the use of goods, services, and/or assistance of Subcontractors or other third parties or suppliers. The terms of this Exhibit shall also apply to all Subcontractors and third parties. The Contractor or third party shall be subject to the following terms and conditions: (i) each Subcontractor and third party must agree in writing to comply with and be bound by the applicable terms and conditions of this Exhibit, both for itself and to enable the Contractor to be and remain in compliance with its obligations hereunder, including those provisions relating to Confidentiality, Integrity, Availability, disclosures, security, and such other terms and conditions as may be reasonably necessary to effectuate the Contract including this Exhibit; and (ii) the Contractor shall be and remain fully liable for the acts and omissions of each Subcontractor and third party, and fully responsible for the due and proper performance of all Contractor obligations under this Contract.

The Contractor shall obtain advanced approval from the County's Chief Information Security Officer and/or Chief Privacy Officer prior to subcontracting services subject to this Exhibit.

9. STORAGE AND TRANSMISSION OF COUNTY INFORMATION

All County Information shall be rendered unusable, unreadable, or indecipherable to unauthorized individuals. Without limiting the generality of the foregoing, the Contractor will encrypt all workstations, portable devices (such as mobile, wearables, tablets,) and removable media (such as portable or removable hard disks, floppy disks, USB memory drives, CDs, DVDs, magnetic tape, and all other removable storage media) that store County Information in accordance with Federal Information Processing Standard (FIPS) 140-2 or otherwise approved by the County's Chief Information Security Officer.

The Contractor will encrypt County Information transmitted on networks outside of the Contractor's control with Transport Layer Security (TLS) or Internet Protocol Security (IPSec), at a minimum cipher strength of 128 bit or an equivalent secure transmission protocol or method approved by County's Chief Information Security Officer.

In addition, the Contractor shall not store County Information in the cloud or in any other online storage provider without written authorization from the County's Chief Information Security Officer. All mobile devices storing County Information shall be managed by a Mobile Device Management system. Such system must provide provisions to enforce a password/passcode on enrolled mobile devices. All workstations/Personal Computers (including laptops, 2-in-1s, and tablets) will maintain the latest operating system security patches, and the latest virus definitions. Virus scans must be

performed at least monthly. Request for less frequent scanning must be approved in writing by the County's Chief Information Security Officer.

10. RETURN OR DESTRUCTION OF COUNTY INFORMATION

The Contractor shall return or destroy County Information in the manner prescribed in this section unless the Contract prescribes procedures for returning or destroying County Information and those procedures are no less stringent than the procedures described in this section.

- a. **Return or Destruction.** Upon County's written request, or upon expiration or termination of this Contract for any reason, Contractor shall (i) promptly return or destroy, at the County's option, all originals and copies of all documents and materials it has received containing County Information; or (ii) if return or destruction is not permissible under applicable law, continue to protect such Information in accordance with the terms of this Contract; and (iii) deliver or destroy, at the County's option, all originals and copies of all summaries, records, descriptions, modifications, negatives, drawings, adoptions and other documents or materials, whether in writing or in machine-readable form, prepared by the Contractor, prepared under its direction, or at its request, from the documents and materials referred to in Subsection (i) of this Section. For all documents or materials referred to in Subsections (i) and (ii) of this Section that the County requests be returned to the County, the Contractor shall provide a written attestation on company letterhead certifying that all documents and materials have been delivered to the County. For documents or materials referred to in Subsections (i) and (ii) of this Section that the County requests be destroyed, the Contractor shall provide an attestation on company letterhead and certified documentation from a media destruction firm consistent with subdivision b of this Section. Upon termination or expiration of the Contract or at any time upon the County's request, the Contractor shall return all hardware, if any, provided by the County to the Contractor. The hardware should be physically sealed and returned via a bonded courier, or as otherwise directed by the County.
- b. **Method of Destruction.** The Contractor shall destroy all originals and copies by (i) cross-cut shredding paper, film, or other hard copy media so that the Information cannot be read or otherwise reconstructed; and (ii) purging, or destroying electronic media containing County Information consistent with NIST Special Publication 800-88, "Guidelines for Media Sanitization" such that the County Information cannot be retrieved. The Contractor will provide an attestation on company letterhead and certified documentation from a media destruction firm, detailing the destruction method used and the County Information involved, the date of destruction, and the company or individual who performed the destruction. Such statement will be sent to the designated County contract manager within ten (10) days of termination or expiration of the Contract or at any time upon the County's request. On termination or expiration of this Contract, the County will return or destroy all Contractor's Information marked as confidential (excluding items licensed to the County hereunder, or that provided to the County by the Contractor hereunder), at the County's option.

11. PHYSICAL AND ENVIRONMENTAL SECURITY

All Contractor facilities that process County Information will be located in secure areas and protected by perimeter security such as barrier access controls (e.g., the use of guards and entry badges) that provide a physically secure environment from unauthorized access, damage, and interference.

All Contractor facilities that process County Information will be maintained with physical and environmental controls (temperature and humidity) that meet or exceed hardware manufacturer's specifications.

12. OPERATIONAL MANAGEMENT, BUSINESS CONTINUITY, AND DISASTER RECOVERY

The Contractor shall: (i) monitor and manage all of its Information processing facilities, including, without limitation, implementing operational procedures, change management, and Incident response procedures consistent with Section 14 SECURITY AND PRIVACY INCIDENTS; and (ii) deploy adequate anti-malware software and adequate back-up systems to ensure essential business Information can be promptly recovered in the event of a disaster or media failure; and (iii) ensure its operating procedures are adequately documented and designed to protect Information and computer media from theft and unauthorized access.

The Contractor must have business continuity and disaster recovery plans. These plans must include a geographically separate back-up data center and a formal framework by which an unplanned event will be managed to minimize the loss of County Information and services. The formal framework includes a defined back-up policy and associated procedures, including documented policies and procedures designed to: (i) perform back-up of data to a remote back-up data center in a scheduled and timely manner; (ii) provide effective controls to safeguard backed-up data; (iii) securely transfer County Information to and from back-up location; (iv) fully restore applications and operating systems; and (v) demonstrate periodic testing of restoration from back-up location. If the Contractor makes backups to removable media (as described in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION), all such backups shall be encrypted in compliance with the encryption requirements noted above in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION.

13. ACCESS CONTROL

Subject to and without limiting the requirements under Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION, County Information (i) may only be made available and accessible to those parties explicitly authorized under the Contract or otherwise expressly approved by the County Project Director or Project Manager in writing; and (ii) if transferred using removable media (as described in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION) must be sent via a bonded courier and protected using encryption technology designated by the Contractor and approved by the County's Chief Information Security Officer in writing. The foregoing requirements shall apply to back-up media stored by the Contractor at off-site facilities.

The Contractor shall implement formal procedures to control access to County systems, services, and/or Information, including, but not limited to, user account management procedures and the following controls:

- a. Network access to both internal and external networked services shall be controlled, including, but not limited to, the use of industry standard and properly configured firewalls;
- b. Operating systems will be used to enforce access controls to computer resources including, but not limited to, multi-factor authentication, use of virtual private networks (VPN), authorization, and event logging;

- c. The Contractor will conduct regular, no less often than semi-annually, user access reviews to ensure that unnecessary and/or unused access to County Information is removed in a timely manner;
- d. Applications will include access control to limit user access to County Information and application system functions;
- e. All systems will be monitored to detect deviation from access control policies and identify suspicious activity. The Contractor shall record, review and act upon all events in accordance with Incident response policies set forth in Section 14 SECURITY AND PRIVACY INCIDENTS; and
- f. In the event any hardware, storage media, or removable media (as described in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION) must be disposed of or sent off-site for servicing, the Contractor shall ensure all County Information, has been eradicated from such hardware and/or media using industry best practices as discussed in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION.

14. SECURITY AND PRIVACY INCIDENTS

In the event of a Security or Privacy Incident, the Contractor shall:

- a. Promptly notify the County's Chief Information Security Officer, the Departmental Information Security Officer, and the County's Chief Privacy Officer of any Incidents involving County Information, within twenty-four (24) hours of detection of the Incident. All notifications shall be submitted via encrypted email and telephone.

County Chief Information Security Officer and Chief Privacy Officer email

CISO-CPO_Notify@lacounty.gov

Chief Information Security Officer:

Ralph Johnson
Chief Information Security Officer
320 W Temple, 7th Floor
Los Angeles, CA 90012
(213) 253-5600

Chief Privacy Officer:

Lillian Russell
Chief Privacy Officer
320 W Temple, 7th Floor
Los Angeles, CA 90012
(213) 351-5363

Departmental Information Security Officer:

Jeremy Keller
Departmental Information Security Officer

510 S. Vermont Avenue
Los Angeles, CA 90020
(213) 447-3999
jkeller@hr.lacounty.gov

- b. Include the following Information in all notices:

- i. The date and time of discovery of the Incident,
 - ii. The approximate date and time of the Incident,
 - iii. A description of the type of County Information involved in the reported Incident, and
 - iv. A summary of the relevant facts, including a description of measures being taken to respond to and remediate the Incident, and any planned corrective actions as they are identified.
 - v. The name and contact information for the organizations official representative(s), with relevant business and technical information relating to the incident.
- c. Cooperate with the County to investigate the Incident and seek to identify the specific County Information involved in the Incident upon the County's written request, without charge, unless the Incident was caused by the acts or omissions of the County. As Information about the Incident is collected or otherwise becomes available to the Contractor, and unless prohibited by law, the Contractor shall provide Information regarding the nature and consequences of the Incident that are reasonably requested by the County to allow the County to notify affected individuals, government agencies, and/or credit bureaus.
 - d. Immediately initiate the appropriate portions of their Business Continuity and/or Disaster Recovery plans in the event of an Incident causing an interference with Information Technology operations.
 - e. Assist and cooperate with forensic investigators, the County, law firms, and and/or law enforcement agencies at the direction of the County to help determine the nature, extent, and source of any Incident, and reasonably assist and cooperate with the County on any additional disclosures that the County is required to make as a result of the Incident.
 - f. Allow the County or its third-party designee at the County's election to perform audits and tests of the Contractor's environment that may include, but are not limited to, interviews of relevant employees, review of documentation, or technical inspection of systems, as they relate to the receipt, maintenance, use, retention, and authorized destruction of County Information.

Notwithstanding any other provisions in this Contract and Exhibit, The Contractor shall be (i) liable for all damages and fines, (ii) responsible for all corrective action, and (iii) responsible for all notifications arising from an Incident involving County Information caused by the Contractor's weaknesses, negligence, errors, or lack of Information Security or privacy controls or provisions.

15. NON-EXCLUSIVE EQUITABLE REMEDY

The Contractor acknowledges and agrees that due to the unique nature of County Information there can be no adequate remedy at law for any breach of its obligations hereunder, that any such breach may result in irreparable harm to the County, and therefore, that upon any such breach, the County will be entitled to appropriate equitable remedies, and may seek injunctive relief from a court of competent jurisdiction without the necessity of proving actual loss, in addition to whatever remedies are available within law or equity. Any breach of Section 6 CONFIDENTIALITY shall constitute a material breach of this Contract and be grounds for immediate termination of this Contract in the exclusive discretion of the County.

16. AUDIT AND INSPECTION

- a. **Self-Audits.** The Contractor shall periodically conduct audits, assessments, testing of the system of controls, and testing of Information Security and privacy procedures, including

penetration testing, intrusion detection, and firewall configuration reviews. These periodic audits will be conducted by staff certified to perform the specific audit in question at Contractor's sole cost and expense through either (i) an internal independent audit function, (ii) a nationally recognized, external, independent auditor, or (iii) another independent auditor approved by the County.

The Contractor shall have a process for correcting control deficiencies that have been identified in the periodic audit, including follow up documentation providing evidence of such corrections. The Contractor shall provide the audit results and any corrective action documentation to the County promptly upon its completion at the County's request. With respect to any other report, certification, or audit or test results prepared or received by the Contractor that contains any County Information, the Contractor shall promptly provide the County with copies of the same upon the County's reasonable request, including identification of any failure or exception in the Contractor's Information systems, products, and services, and the corresponding steps taken by the Contractor to mitigate such failure or exception. Any reports and related materials provided to the County pursuant to this Section shall be provided at no additional charge to the County.

- b. **County Requested Audits.** At its own expense, the County, or an independent third-party auditor commissioned by the County, shall have the right to audit the Contractor's infrastructure, security and privacy practices, Data center, services and/or systems storing or processing County Information via an onsite inspection at least once a year. Upon the County's request the Contractor shall complete a questionnaire regarding Contractor's Information Security and/or program. The County shall pay for the County requested audit unless the auditor finds that the Contractor has materially breached this Exhibit, in which case the Contractor shall bear all costs of the audit; and if the audit reveals material non-compliance with this Exhibit, the County may exercise its termination rights underneath the Contract.

Such audit shall be conducted during the Contractor's normal business hours with reasonable advance notice, in a manner that does not materially disrupt or otherwise unreasonably and adversely affect the Contractor's normal business operations. The County's request for the audit will specify the scope and areas (e.g., Administrative, Physical, and Technical) that are subject to the audit and may include, but are not limited to physical controls inspection, process reviews, policy reviews, evidence of external and internal Vulnerability scans, penetration test results, evidence of code reviews, and evidence of system configuration and audit log reviews. It is understood that the results may be filtered to remove the specific Information of other Contractor customers such as IP address, server names, etc. The Contractor shall cooperate with the County in the development of the scope and methodology for the audit, and the timing and implementation of the audit. This right of access shall extend to any regulators with oversight of the County. The Contractor agrees to comply with all reasonable recommendations that result from such inspections, tests, and audits within reasonable timeframes.

When not prohibited by regulation, the Contractor will provide to the County a summary of: (i) the results of any security audits, security reviews, or other relevant audits, conducted by the Contractor or a third party; and (ii) corrective actions or modifications, if any, the Contractor will implement in response to such audits.

17. CYBER LIABILITY INSURANCE

See the Contract at Sub-paragraph 8.25.4 (Unique Insurance Coverage), Cyber Liability Insurance.

18. PRIVACY AND SECURITY INDEMNIFICATION

In addition to the indemnification provisions in the Contract, the Contractor agrees to indemnify, defend, and hold harmless the County, its Special Districts, elected and appointed officers, agents, employees, and volunteers from and against any and all claims, demands liabilities, damages, judgments, awards, losses, costs, expenses or fees including reasonable attorneys' fees, accounting and other expert, consulting or professional fees, and amounts paid in any settlement arising from, connected with, or relating to:

- The Contractor's violation of any federal and state laws in connection with its accessing, collecting, processing, storing, disclosing, or otherwise using County Information;
- The Contractor's failure to perform or comply with any terms and conditions of this Contract or related agreements with the County; and/or,
- Any Information loss, breach of Confidentiality, or Incident involving any County Information that occurs on the Contractor's systems or networks (including all costs and expenses incurred by the County to remedy the effects of such loss, breach of Confidentiality, or Incident, which may include (i) providing appropriate notice to individuals and governmental authorities, (ii) responding to individuals' and governmental authorities' inquiries, (iii) providing credit monitoring to individuals, and (iv) conducting litigation and settlements with individuals and governmental authorities).

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

ADDENDUM A: SOFTWARE AS A SERVICE (SaaS)

- a. **License:** Subject to the terms and conditions set forth in this Contract, including payment of the license fees by to the Contractor, the Contractor hereby grants to County a non-exclusive, non-transferable worldwide County license to use the SaaS, as well as any documentation and training materials, during the term of this Contract to enable the County to use the full benefits of the SaaS and achieve the purposes stated herein.
- b. **Business Continuity:** In the event that the Contractor's infrastructure containing or processing County Information becomes lost, altered, damaged, interrupted, destroyed, or otherwise limited in functionality in a way that affects the County's use of the SaaS, The Contractor shall immediately and within twenty-four (24) hours implement the Contractor's Business Continuity Plan, consistent with Section 12 OPERATIONAL MANAGEMENT, BUSINESS CONTINUITY, AND DISASTER RECOVERY, such that the Contractor can continue to provide full functionality of the SaaS as described in the Contract.

The Contractor will indemnify the County for any claims, losses, or damages arising out of the County's inability to use the SaaS consistent with the Contract and Section 18 PRIVACY AND SECURITY INDEMNIFICATION.

The Contractor shall include in its Business Continuity Plan service offering, a means for segmenting and distributing IT infrastructure, disaster recovery and mirrored critical system, among any other measures reasonably necessary to ensure business continuity and provision of the SaaS.

In the event that the SaaS is interrupted, the County Information may be accessed and retrieved within two (2) hours at any point in time. To the extent the Contractor hosts County Information related to the SaaS, the Contractor shall create daily backups of all County Information related to the County's use of the SaaS in a segmented or off-site "hardened" environment in a manner that ensures backups are secure consistent with cybersecurity requirements described in this Contract and available when needed.

- c. **Enhancements:** Upgrades, replacements and new versions: The Contractor agrees to provide to County, at no cost, prior to, and during installation and implementation of the SaaS any software/firmware enhancements, upgrades, and replacements which the Contractor initiates or generates that are within the scope of the SaaS and that are made available at no charge to the Contractor's other customers.

During the term of this Contract, the Contractor shall promptly notify the County of any available updates, enhancements or newer versions of the SaaS and within thirty (30) Days update or provide the new version to the County. The Contractor shall provide any accompanying documentation in the form of new or revised documentation necessary to enable the County to understand and use the enhanced, updated, or replaced SaaS.

During the Contract term, the Contractor shall not delete or disable a feature or functionality of the SaaS unless the Contractor provides sixty (60) Days advance notice and the County provides written consent to delete or disable the feature or functionality. Should there be a replacement feature or functionality, the County shall have the sole discretion whether to accept such replacement. The replacement shall be at no additional cost to the County. If the Contractor fails to abide by the obligations in this section, the County reserves the right to terminate the Contract for material breach and receive a pro-rated refund.

- d. **Location of County Information:** The Contractor warrants and represents that it shall store and process County Information only in the continental United States and that at no time will County Data traverse the borders of the continental United States in an unencrypted manner.
- e. **Audit and Certification:** The Contractor agrees to conduct an annual System and Organization Controls (SOC 2 type II) audit or equivalent (i.e. The International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC) 27001:2013 certification audit or Health Information Trust Alliance (HITRUST) Common Security Framework certification audit) of its internal controls for security, availability, integrity, confidentiality, and privacy. The Contractor shall have a process for correcting control deficiencies that have been identified in the audit, including follow up documentation providing evidence of such corrections. The results of the audit and the Contractor's plan for addressing or resolving the audit findings shall be shared with County's Chief Information Security Officer within ten (10) business days of the Contractor's receipt of the audit results. The Contractor agrees to provide County with the current audit certifications upon request.
- f. **Services Provided by a Subcontractor:** Prior to the use of any Subcontractor for the SaaS under this Contract, the Contractor shall notify County of the proposed subcontractor(s) and the purposes for which they may be engaged at least thirty (30) Days prior to engaging the Subcontractor and obtain written consent of the County's Contract Administrator.
- g. **Information Import Requirements at Termination:** Within one (1) Day of notification of termination of this Contract, the Contractor shall provide County with a complete, portable, and secure copy of all County Information, including all schema and transformation definitions and/or delimited text files with documented, detailed schema definitions along with attachments in a format to be determined by County upon termination.
- h. **Termination Assistance Services:** During the ninety (90) Day period prior to, and/or following the expiration or termination of this Contract, in whole or in part, the Contractor agrees to provide reasonable termination assistance services at no additional cost to County, which may include:
 - i. Developing a plan for the orderly transition of the terminated or expired SaaS from the Contractor to a successor;
 - ii. Providing reasonable training to County staff or a successor in the performance of the SaaS being performed by the Contractor;
 - iii. Using its best efforts to assist and make available to the County any third-party services then being used by the Contractor in connection with the SaaS; and
 - iv. Such other activities upon which the Parties may reasonably agree.

ATTACHMENT B

PRICING SCHEDULE¹

SHORT-TERM DISABILITY, LONG-TERM DISABILITY AND SURVIVOR BENEFIT CLAIMS ADMINISTRATION SERVICES

Program	Cost Frequency	Initial Term				Optional Extended Terms ²				Extension Terms Total	Contract Cost
		Transition Period December 5, 2023 - December 31, 2023	Initial Term Monthly Costs			Optional Extended Terms Monthly Costs					
			Contract Year 1 (2024)	Contract Year 2 (2025)	Contract Year 3 (2026)	Initial Term Total	Contract Year 4 (2027)	Contract Year 5 (2028)	Contract Year 6 (2029)		
STD	Monthly	\$ 0.00	\$ 20,724	\$ 21,138	\$ 21,561	\$ 761,085	\$ 21,993	\$ 21,993	\$ 21,993	\$ 791,748	\$ 1,552,833
LTD	Monthly	\$ 0.00	\$ 140,544	\$ 143,355	\$ 146,222	\$ 5,161,450	\$ 149,147	\$ 149,147	\$ 149,147	\$ 5,369,292	\$ 10,530,742
SB	Monthly	\$ 0.00	\$ 9,290	\$ 9,476	\$ 9,665	\$ 341,173	\$ 9,859	\$ 9,859	\$ 9,859	\$ 354,924	\$ 696,097
Total Monthly Cost for STD, LTD & SB Programs:		\$ 0.00	\$ 170,558	\$ 173,969	\$ 177,449		\$ 180,999	\$ 180,999	\$ 180,999		
Total Annual Cost for STD, LTD & SB Programs:		\$ 0.00	\$ 2,046,696	\$ 2,087,630	\$ 2,129,383	\$ 6,263,708	\$ 2,171,988	\$ 2,171,988	\$ 2,171,988	\$ 6,515,964	\$ 12,779,672
TOTAL CONTRACT SUM:										\$ 12,779,672	

¹The Contractor shall perform all services described in the Contract at the pricing set forth in this Exhibit. The Contractor's pricing shall include all costs incurred by the Contractor in handling submitted claims except for services performed by third-party vendors, referred to as "pass-through expenses," as set forth in the Contract, Sub-paragraph 5.2.2.1, that are over \$350 per claim. The Contractor will pay all third-party vendor expenses that are \$350 or less per claim.

²Years 4, 5 and 6 are optional, by mutual agreement of the County and the Contractor.