

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
BOARD ACTION SUMMARY

Chief Executive Office – Risk
DEPT: Management

BOARD AGENDA #: _____
*B-8

AGENDA DATE: December 20, 2016

SUBJECT:

Approval of an Agreement for Professional Services with HUB International, Inc. to Provide Health Insurance Consulting Services that Support the County's Self-Insured Benefits Programs

BOARD ACTION AS FOLLOWS:

No. 2016-652

On motion of Supervisor O'Brien, Seconded by Supervisor Withrow
and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Withrow, DeMartini, and Chairman Monteith

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION:

ATTEST: 
PAM VILLARREAL, Assistant Clerk

File No.

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
AGENDA ITEM**

DEPT: Chief Executive Office – Risk Management BOARD AGENDA #: *B-8
Urgent Routine

AGENDA DATE: December 20, 2016

CEO CONCURRENCE:



4/5 Vote Required: Yes No

SUBJECT:

Approval of an Agreement for Professional Services with HUB International, Inc. to Provide Health Insurance Consulting Services that Support the County's Self-Insured Benefits Programs

STAFF RECOMMENDATIONS:

1. Approve an agreement between the County and HUB International, Inc. to provide health insurance consulting services effective January 1, 2017 through December 31, 2019 unless otherwise terminated, not to exceed \$610,000.
2. Authorize the Purchasing Agent to sign the approved agreement, and if necessary any future renewals as authorized by the Board under this agreement.

DISCUSSION:

The County currently contracts with HUB International, Inc. (formerly Sidles Duncan and Associates) to assist with administration of employee benefit programs including the County's self-insured medical benefits program. The County currently spends approximately \$53.5 million annually to fund medical claims and administrative costs in the self-insured medical benefits program. The agreement with HUB International, Inc. provides oversight and direct management of several components of the program, including administrative, financial and clinical programs.

The new recommended agreement with HUB International Inc. is being put in place for three years, from January 1, 2017 through December 31, 2019. The compensation will be as follows:

- \$185,000 for the period January 1, 2017 – December 31, 2017
- \$195,000 for the period January 1, 2018 – December 31, 2018
- \$200,000 for the period January 1, 2019 – December 31, 2019

The agreement also allows for payment of up to \$10,000 annually if the Consultant needs to employ expert services related to the agreement. The maximum amount to be paid to HUB International, Inc. by the County for the three-year agreement shall not exceed \$610,000.

The scope of work contained in the new agreement is identical to the existing contract to include the following:

Approval of an Agreement for Professional Services with HUB International, Inc. to Provide Health Insurance Consulting Services that Support the County's Self-Insured Benefits Programs

- Provide key plan administrative, financial and clinical guidance, service, support, management, data review, and information management for all plan components.
- Lead and manage monthly health benefit review meetings and any other meetings related to the performance of the health benefit plan, its vendors, members, providers or other plan stakeholders.
- Assist the County in measuring and monitoring the clinical performance of its health benefit plans and develop strategies for improvement of member health; improvement of quality of healthcare delivered to plan participants; reducing the amount of unnecessary and inappropriate healthcare delivered to plan participants; and clinical reporting.
- Assist County with the identification and selection of vendors of employee benefit programs.
- Assist the County in investigation and resolution of disputes, both formal and informal, with vendors, providers of services, program participants, and employee or retiree representatives.
- Advise the County regarding compliance with federal and state regulations concerning employee benefit programs.
- Assist the County with the design of employee and retiree benefit programs, including but not necessarily limited to: health, prescription drug, dental, vision, life, disability, and catastrophic disease insurance; employee wellness programs; employee assistance programs; and benefit program.
- Work with other County vendors and Consultant's sub-contractors to provide detailed claim analysis on a monthly basis, including all financial and clinical data pertaining to plan performance, healthcare delivery and administrative functions.
- Participate in meetings with and, as requested, make presentations to employees and/or retirees, their representatives, management staff, and County Board of Supervisors regarding benefit plans.
- Maintain County compliance with federal and state regulations concerning employee benefit programs, including, but not limited to the Patient Protection and Affordable Care Act, COBRA, HIPAA, and ERISA.
- Provide written reports as requested by the County regarding any activity covered herein.

POLICY ISSUE:

Approval of this agreement is in compliance with the Board of Supervisors' Contract Reporting Policy, approved on January 24, 2006 and later revised on March 22, 2011 which states that

Approval of an Agreement for Professional Services with HUB International, Inc. to Provide Health Insurance Consulting Services that Support the County's Self-Insured Benefits Programs

departments are required to obtain approval by the Board of Supervisors for any contract or agreement where the total cumulative compensation exceeds \$100,000.

FISCAL IMPACT:

The agreement with HUB International, Inc. will be funded through existing appropriations in the Chief Executive Office – Risk Management Medical and Dental Self-Insurance Funds.

Cost of recommended action:		\$ 610,000
Source(s) of Funding:		
Dental and Medical Self-Insurance Funds	\$ 610,000	
Funding Total:		\$ 610,000
Net Cost to County General Fund		\$ -

Fiscal Year:	2016-2017
Budget Adjustment/Appropriations needed:	No

Fund Balance as of December 13, 2016 \$ 5,611,145

BOARD OF SUPERVISORS' PRIORITY:

The recommended actions are consistent with the Board's priorities of A Healthy Community, Efficient Delivery of Public Services, and Effective Partnerships by providing effective oversight and support to the County's self-insured benefit programs.

STAFFING IMPACT:

Staff from the Chief Executive Office, Risk Management Division, will continue to work closely with contracted health insurance consultants and associated vendors to provide ongoing management and oversight of the County's health insurance programs.

CONTACT PERSON:

Jody Hayes, Assistant Executive Officer. Telephone: (209) 525-5714.

ATTACHMENT(S):

1. HUB International, Inc. Agreement

**AGREEMENT
FOR
PROFESSIONAL SERVICES**

This Agreement for Professional Services is made and entered into by and between the County of Stanislaus ("County") and HUB International, Inc., a California corporation ("Consultant"), on January 1, 2017 (the "Agreement").

Introduction

WHEREAS, the County has a need for services involving employee benefit consulting services;

WHEREAS, the Consultant is specially trained, experienced and competent to perform and has agreed to provide such services; and

NOW, THEREFORE, in consideration of the mutual promises, covenants, terms and conditions hereinafter contained, the parties hereby agree as follows:

Terms and Conditions

1. **Scope of Work**

1.1 The Consultant shall furnish to the County upon execution of this Agreement or receipt of the County's written authorization to proceed, those services and work set forth in **Exhibit A**, ("Services") which is attached hereto and, by this reference, made a part hereof.

1.2 Any interest, including copyright interests, of Consultant or its contractors or subconsultants in studies, reports, memoranda, computational sheets, drawings, plans or any other documents, including electronic data, prepared in connection with the Services, shall be the property of County. To the extent permitted by law, work product produced under this Agreement shall be deemed works for hire and all copyrights in such works shall be the property of the County. In the event that it is ever determined that any works created by Consultant or its subconsultants under this Agreement are not works for hire, Consultant hereby assigns to County all copyrights to such works. With the County's prior written approval, Consultant may retain and use copies of such works for reference and as documentation of experience and capabilities. Should the County desire to reuse the documents specified above and not use the services of the Consultant, then the County agrees to require the new consultant to assume any and all obligations for the reuse of the documents, and the County releases Consultant and its subconsultants from all liability associated with the reuse of such documents.

1.3 Services and work provided by the Consultant under this Agreement will be performed in a timely manner in accordance with a schedule of work set forth in Exhibit A. If there is no schedule, the hours and times for completion of said services and work are to be set by the Consultant; provided, however, that such schedule is subject to review by and concurrence of the County.

1.4 The Consultant shall provide services and work under this Agreement consistent with the requirements and standards established by applicable federal, state and County laws, ordinances, regulations and resolutions. The Consultant represents and warrants that it will perform its work in accordance with generally accepted industry standards and practices for the profession or professions that are used in performance of this Agreement and that are in effect at the time of performance of this Agreement. Except for that representation and any representations made or contained in any proposal submitted by the Consultant and any reports or opinions prepared or issued as part of the work performed by the Consultant under this Agreement, Consultant makes no other warranties, either express or implied, as part of this Agreement.

1.5 If the Consultant deems it appropriate to employ a consultant, expert or investigator in connection with the performance of the services under this Agreement, the Consultant will so advise the County and seek the County's prior approval of such employment. Any consultant, expert or investigator employed by the Consultant will be the agent of the Consultant not the County.

2. Consideration

2.1 The Consultant shall be compensated on either a time and materials basis or a lump sum basis, as provided in Exhibit A attached hereto.

2.2 Except as expressly provided in this Agreement, Consultant shall not be entitled to nor receive from County any additional consideration, compensation, salary, wages or other type of remuneration for services rendered under this Agreement, including, but not limited to, meals, lodging, transportation, drawings, renderings or mockups. Specifically, Consultant shall not be entitled by virtue of this Agreement to consideration in the form of overtime, health insurance benefits, retirement benefits, disability retirement benefits, sick leave, vacation time, paid holidays or other paid leaves of absence of any type or kind whatsoever.

2.3 The Consultant shall provide the County with a monthly or a quarterly statement, as services warrant, of fees earned and costs incurred for services provided during the billing period, which the County shall pay in full within 30 days of the date each invoice is approved by the County. The statement will generally describe the services performed, the applicable rate or rates, the basis for the calculation of fees, and a reasonable itemization of costs. All invoices for services provided shall be forwarded in the same manner and to the same person and address that is provided for service of notices herein.

2.4 County will not withhold any Federal or State income taxes or Social Security tax from any payments made by County to Consultant under the terms and conditions of this Agreement. Payment of all taxes and other assessments on such sums is the sole responsibility of Consultant. County has no responsibility or liability for payment of Consultant's taxes or assessments.

3. Term

3.1 The term of this Agreement shall be from the date of this Agreement until completion of the agreed upon services unless sooner terminated as provided below or unless some other method or time of expiration is listed in Exhibit A.

3.2 Should either party default in the performance of this Agreement or materially breach any of its provisions, the other party, at that party's option, may terminate this Agreement by giving written notification to the other party.

3.3 The County may terminate this agreement upon 30 days prior written notice. Termination of this Agreement shall not affect the County's obligation to pay for all fees earned and reasonable costs necessarily incurred by the Consultant as provided in Paragraph 2 herein, subject to any applicable setoffs.

3.4 This Agreement shall terminate automatically on the occurrence of (a) bankruptcy or insolvency of either party, or (b) sale of Consultant's business.

4. Required Licenses, Certificates and Permits and Compliance with Laws

Any licenses, certificates or permits required by the federal, state, county or municipal governments for Consultant to provide the services and work described in Exhibit A must be procured by Consultant and

be valid at the time Consultant enters into this Agreement. Further, during the term of this Agreement, Consultant must maintain such licenses, certificates and permits in full force and effect. Licenses, certificates and permits may include but are not limited to driver's licenses, professional licenses or certificates and business licenses. Such licenses, certificates and permits will be procured and maintained in force by Consultant at no expense to the County.

Consultant shall comply will all applicable local state and Federal Laws rules and regulations.

5. Office Space, Supplies, Equipment, Etc.

Unless otherwise provided in this Agreement, Consultant shall provide such office space, supplies, equipment, vehicles, reference materials and telephone service as is necessary for Consultant to provide the services under this Agreement. The Consultant--not the County--has the sole responsibility for payment of the costs and expenses incurred by Consultant in providing and maintaining such items.

6. Insurance

Coverage Required: Consultant and sub-consultants shall obtain, and maintain at all times during the term of this Agreement, insurance coverage in the amounts and coverage specified in the attached "Exhibit B."

7. Defense and Indemnification

7.1 To the fullest extent permitted by law, Consultant shall indemnify, hold harmless and defend the County and its agents, officers and employees from and against all claims, damages, losses, judgments, liabilities, expenses and other costs, including litigation costs and attorneys' fees, arising out of, resulting from, or in connection with the performance of this Agreement by the Consultant or Consultant's officers, employees, agents, representatives or subcontractors and resulting in or attributable to personal injury, death, or damage or destruction to tangible or intangible property, including the loss of use. Notwithstanding the foregoing, Consultant's obligation to indemnify the County and its agents, officers and employees for any judgment, decree or arbitration award shall extend only to the percentage of negligence or responsibility of the Consultant in contributing to such claim, damage, loss and expense.

7.2 Consultant's obligation to defend, indemnify and hold the County and its agents, officers and employees harmless under the provisions of this paragraph is not limited to or restricted by any requirement in this Agreement for Consultant to procure and maintain a policy of insurance.

7.3 To the fullest extent permitted by law, the County shall indemnify, hold harmless and defend the Consultant and its officers, employees, agents, representatives or subcontractors from and against all claims, damages, losses, judgments, liabilities, expenses and other costs, including litigation costs and attorney's fees, arising out of or resulting from the negligence or wrongful acts of County and its officers or employees.

7.4 Subject to the limitations in 42 United States Code section 9607 (e), and unless otherwise provided in a Scope of Services approved by the parties:

(a) Consultant shall not be responsible for liability caused by the presence or release of hazardous substances or contaminants at the site, unless the release results from the negligence of Consultant or its subcontractors;

(b) No provision of this Agreement shall be interpreted to permit or obligate Consultant to assume the status of "generator," "owner," "operator," "arranger," or "transporter" under state or federal law; and

(c) At no time, shall title to hazardous substances, solid wastes, petroleum contaminated soils or other regulated substances pass to Consultant.

8. Status of Consultant

8.1 All acts of Consultant and its officers, employees, agents, representatives, subcontractors and all others acting on behalf of Consultant relating to the performance of this Agreement, shall be performed as independent contractors and not as agents, officers or employees of County. Consultant, by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of County. Except as expressly provided in Exhibit A, Consultant has no authority or responsibility to exercise any rights or power vested in the County. No agent, officer or employee of the County is to be considered an employee of Consultant. It is understood by both Consultant and County that this Agreement shall not be construed or considered under any circumstances to create an employer-employee relationship or a joint venture.

8.2 At all times during the term of this Agreement, the Consultant and its officers, employees, agents, representatives or subcontractors are, and shall represent and conduct themselves as, independent contractors and not employees of County.

8.3 Consultant shall determine the method, details and means of performing the work and services to be provided by Consultant under this Agreement. Consultant shall be responsible to County only for the requirements and results specified in this Agreement and, except as expressly provided in this Agreement, shall not be subjected to County's control with respect to the physical action or activities of Consultant in fulfillment of this Agreement. Consultant has control over the manner and means of performing the services under this Agreement. If necessary, Consultant has the responsibility for employing other persons or firms to assist Consultant in fulfilling the terms and obligations under this Agreement.

8.4 Consultant is permitted to provide services to others during the same period service is provided to County under this Agreement; provided, however, such services do not conflict directly or indirectly with the performance of the Consultant's obligations under this Agreement.

8.5 If in the performance of this Agreement any third persons are employed by Consultant, such persons shall be entirely and exclusively under the direction, supervision and control of Consultant. All terms of employment including hours, wages, working conditions, discipline, hiring and discharging or any other term of employment or requirements of law shall be determined by the Consultant.

8.6 It is understood and agreed that as an independent contractor and not an employee of County, the Consultant and the Consultant's officers, employees, agents, representatives or subcontractors do not have any entitlement as a County employee, and, except as expressly provided for in any Scope of Services made a part hereof, do not have the right to act on behalf of the County in any capacity whatsoever as an agent, or to bind the County to any obligation whatsoever.

8.7 It is further understood and agreed that Consultant must issue W-2 forms or other forms as required by law for income and employment tax purposes for all of Consultant's assigned personnel under the terms and conditions of this Agreement.

8.8 As an independent contractor, Consultant hereby indemnifies and holds County harmless from any and all claims that may be made against County based upon any contention by any third party that an employer-employee relationship exists by reason of this Agreement.

9. Records and Audit

9.1 Consultant shall prepare and maintain all writings, documents and records prepared or

compiled in connection with the performance of this Agreement for a minimum of four (4) years from the termination or completion of this Agreement. This includes any handwriting, typewriting, printing, photostatic, photographing and every other means of recording upon any tangible thing, any form of communication or representation including letters, words, pictures, sounds or symbols or any combination thereof.

9.2 Any authorized representative of County shall have access to any writings as defined above for the purposes of making audit, evaluation, examination, excerpts and transcripts during the period such records are to be maintained by Consultant. Further, County has the right at all reasonable times to audit, inspect or otherwise evaluate the work performed or being performed under this Agreement.

10. Confidentiality

The Consultant shall keep confidential all information obtained or learned during the course of furnishing services under this Agreement and to not disclose or reveal such information for any purpose not directly connected with the matter for which services are provided.

11. Nondiscrimination

11.1 During the performance of this Agreement, Consultant and its officers, employees, agents, representatives or subcontractors shall not unlawfully discriminate in violation of any Federal, State or local law, rule or regulation against any employee, applicant for employment or person receiving services under this Agreement because of race, religious creed, color, national origin, ancestry, physical or mental disability, medical condition, genetic information, pregnancy related condition, marital status, gender/sex, sexual orientation, gender identity, gender expression, age (over 40), political affiliation or belief, or military and veteran status. Consultant and its officers, employees, agents, representatives or subcontractors shall comply with all applicable Federal, State and local laws and regulations related to non-discrimination and equal opportunity, including without limitation the County's non-discrimination policy; the Fair Employment and Housing Act (Government Code sections 12900 et seq.); California Labor Code sections 1101, 1102 and 1102.1; the Federal Civil Rights Act of 1964 (P.L. 88-352), as amended; and all applicable regulations promulgated in the California Code of Regulations or the Code of Federal Regulations.

11.2 Consultant shall include the non-discrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.

11.3 Consultant shall provide a system by which recipients of service shall have the opportunity to express and have considered their views, grievances, and complaints regarding Consultant's delivery of services.

12. Assignment

This is an agreement for the services of Consultant. County has relied upon the skills, knowledge, experience and training of Consultant and the Consultant's firm, associates and employees as an inducement to enter into this Agreement. Consultant shall not assign or subcontract this Agreement without the express written consent of County. Further, Consultant shall not assign any monies due or to become due under this Agreement without the prior written consent of County.

13. Waiver of Default

Waiver of any default by either party to this Agreement shall not be deemed to be waiver of any subsequent default. Waiver or breach of any provision of this Agreement shall not be deemed to be a waiver of any other or subsequent breach, and shall not be construed to be a modification of the terms of this Agreement unless this Agreement is modified as provided below.

14. Notice

Any notice, communication, amendment, addition or deletion to this Agreement, including change of address of either party during the term of this Agreement, which Consultant or County shall be required or may desire to make shall be in writing and shall be personally served or, alternatively, sent by prepaid first class mail to the respective parties as follows:

To County:	To Consultant:
Stanislaus County Purchasing Agent	HUB International, Inc.
1010 10 th Street, Suite 5400	4695 MacArthur Court Suite 600
Modesto, CA 95354	Newport Beach, Ca. 92660

15. Conflicts

Consultant agrees that it has no interest and shall not acquire any interest direct or indirect which would conflict in any manner or degree with the performance of the work and services under this Agreement.

16. Severability

If any portion of this Agreement or application thereof to any person or circumstance shall be declared invalid by a court of competent jurisdiction or if it is found in contravention of any federal, state or county statute, ordinance or regulation the remaining provisions of this Agreement or the application thereof shall not be invalidated thereby and shall remain in full force and effect to the extent that the provisions of this Agreement are severable.

17. Amendment

This Agreement may only be modified, amended, changed, added to or subtracted from by the mutual consent of the parties hereto if such amendment or change is in written form and executed with the same formalities as this Agreement and attached to the original Agreement to maintain continuity.

18. Entire Agreement

This Agreement supersedes any and all other agreements, either oral or in writing, between any of the parties herein with respect to the subject matter hereof and contains all the agreements between the parties with respect to such matter. Each party acknowledges that no representations, inducements, promises or agreements, oral or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding.

19. Advice of Attorney

Each party warrants and represents that in executing this Agreement, it has received independent legal advice from its attorneys or the opportunity to seek such advice.

20. Construction

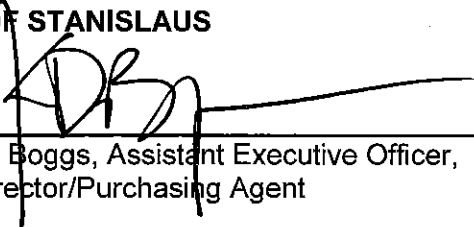
Headings or captions to the provisions of this Agreement are solely for the convenience of the parties, are not part of this Agreement, and shall not be used to interpret or determine the validity of this Agreement. Any ambiguity in this Agreement shall not be construed against the drafter, but rather the terms and provisions hereof shall be given a reasonable interpretation as if both parties had in fact drafted this Agreement.

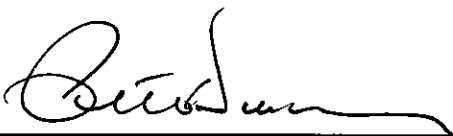
21. Governing Law and Venue

This Agreement shall be deemed to be made under, and shall be governed by and construed in accordance with, the laws of the State of California. Any action brought to enforce the terms or provisions of this Agreement shall have venue in the County of Stanislaus, State of California.

IN WITNESS WHEREOF, the parties or their duly authorized representatives have executed this Agreement on the day and year first hereinabove written.

COUNTY OF STANISLAUS

By: 
Keith D. Boggs, Assistant Executive Officer,
GSA Director/Purchasing Agent

By: 
Peter Duncan
Executive Vice President

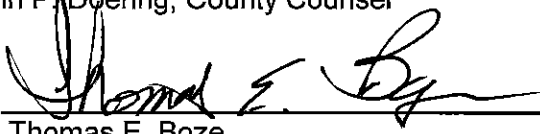
"Consultant"

"County"

APPROVED AS TO CONTENT:

By: 
Jody Hayes
Assistant Executive Officer

APPROVED AS TO FORM:
John P. Doering, County Counsel

By: 
Thomas E. Boze
Assistant County Counsel

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EXHIBIT A

A. SCOPE OF WORK

The Consultant shall provide services under this Agreement as follows:

1. Provide key plan administrative, financial and clinical guidance, service, support, management, data review, and information management for all plan components.
2. Lead and manage monthly health benefit review meetings and any other meetings related to the performance of the health benefit plan, its vendors, members, providers or other plan stakeholders.
3. Assist the County in measuring and monitoring the clinical performance of its health benefit plans and develop strategies for:
 - a. improvement of member health;
 - b. improvement of quality of healthcare delivered to plan participants;
 - c. reducing the amount of unnecessary and inappropriate healthcare delivered to plan participants; and
 - d. clinical reporting.
4. Assist County with the identification and selection of vendors of employee benefit programs, including but not limited to:
 - a. Preparation and distribution of Requests for Proposal (RFP) and any other related processes such as Requests for Information (RFI);
 - b. Review, evaluation and recommendation regarding RFP, RFI, or other related services received by the County regarding employee benefit programs;
 - c. Assist the County in the preparation and execution of legal documents and contracts related to the implementation of a new vendor or service provider;
 - d. Provide cost estimates and analysis of proposed benefit programs and proposed changes in existing benefit programs, including the use, when specifically authorized by County in writing, of sub-contracted professional services including, but not necessarily limited to:
 - i. General benefit consulting;
 - ii. Actuarial services; and
 - iii. Performance and/or financial audits.
5. Assist the County in investigation and resolution of disputes, both formal and informal, with vendors, providers of services, program participants, and employee or retiree representatives;

6. Advise the County regarding compliance with federal and state regulations concerning employee benefit programs;
7. Assist the County with the design of employee and retiree benefit programs, including but not necessarily limited to:
 - a. Health, prescription drug, dental, vision, life, disability, and catastrophic disease insurance;
 - b. Employee Wellness Programs;
 - c. Employee Assistance Programs; and
 - d. Benefit Program.
8. Work with other County vendors and Consultant's sub-contractors to provide detailed claim analysis on a monthly basis, including all financial and clinical data pertaining to plan performance, healthcare delivery and administrative functions.
9. Participate in meetings with and, as requested, make presentations to employees and/or retirees, their representatives, management staff, and County Board of Supervisors regarding benefit plans.
10. Maintain County compliance with federal and state regulations concerning employee benefit programs, including, but not limited to the Patient Protection and Affordable Care Act, COBRA, HIPAA, and ERISA.
11. Provide written reports as requested by the County regarding any activity covered herein.

B. COMPENSATION

The Consultant shall be compensated for the services provided under this Agreement as follows:

1. The County shall pay Consultant on a monthly basis for employee benefit consulting services, commencing with the first day of this Agreement per the schedule below:
 - a. \$185,000 annually for the period January 1 – December 31, 2017
 - b. \$195,000 annually for the period January 1 – December 31, 2018
 - c. \$200,000 annually for the period January 1 – December 31, 2019
2. In addition to the monthly compensation above, Consultant shall be reimbursed for the reasonable and necessary costs for any experts employed by Consultant pursuant to Section 1.5 of this Agreement for a total amount not to exceed \$10,000 per calendar year.
3. The parties hereto acknowledge the maximum amount to be paid by the County for services provided shall not exceed \$610,000 (\$580,000 in consulting compensation and a maximum of \$30,000 in subcontracted experts) including, without limitation, the cost of any subcontractors, consultants, experts or investigators retained by the Consultant to perform or to assist in the performance of its work under this Agreement.

4. The Consultant may receive compensation from Ascendant Healthcare for its work with Ascendant on behalf of the County's stop loss insurance program, not to exceed the amount identified in the County's agreement with Ascendant.

C. TERM

Paragraph 3.1 of the body of this Agreement is amended to read as follows:

- 3.1 The term of this Agreement shall be from January 1, 2017 through December 31, 2019 unless otherwise terminated as provided below.

D. INVOICE TO:

Invoices shall be submitted to:

Stanislaus County Risk Management Division
1010 10th Street, Suite 5400
Modesto, CA 95354

EXHIBIT B

Insurance Requirements for Professional Services

Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** If the Consultant or the Consultant's officers, employees, agents, representatives or subcontractors utilize a motor vehicle in performing any of the work or services under the Agreement Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if Consultant has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
3. **Workers' Compensation** insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
(Not required if consultant provides written verification it has no employees)
4. **Professional Liability (Errors and Omissions)** Insurance appropriate to the Consultant's profession, with limits not less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.

If the Consultant maintains broader coverage and/or higher limits than the minimums shown above, the County requires and shall be entitled to the broader coverage and/or higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the County.

Application of Excess Liability Coverage

Consultants 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.

Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status

The County, its officers, officials, employees, agents and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Consultant's insurance (at least as broad as ISO Form CG 20 10 11 85 or **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 forms if later revisions used).

Primary Coverage

For any claims related to this contract, the **Consultant's insurance coverage shall be primary** insurance primary coverage at least as broad as ISO CG 20 01 04 13 as respects the County, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees, agents or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

Reporting: Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the County or its officers, officials, employee's, agents or volunteers.

Notice of Cancellation

Each insurance policy required above shall state that **coverage shall not be canceled, except with notice to the County.**

Waiver of Subrogation

Consultant hereby grants to County a waiver of any right to subrogation which any insurer of said Consultant may acquire against the County by virtue of the payment of any loss under such insurance. Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the County has received a waiver of subrogation endorsement from the insurer.

Self-Insured Retentions

Self-insured retentions must be declared to and approved by the County. The County may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or County.

Acceptability of Insurers

Insurance is to be placed with California admitted insurers (licensed to do business in California) with a current A.M. Best's rating of no less than A-VII, however, if no California admitted insurance company provides the required insurance, it is acceptable to provide the required insurance through a United States domiciled carrier that meets the required Best's rating and that is listed on the current List of Approved Surplus Line Insurers (LASLI) maintained by the California Department of Insurance.

Claims Made Policies

If any of the required policies provide coverage on a claims-made basis:

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

Verification of Coverage

Consultant shall furnish the County with a copy of the policy declaration and endorsement page(s), original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All **certificates and endorsements are to be received and approved by the County before work commences**. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The County reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Subcontractors

Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that County is an additional insured on insurance required from subcontractors.

Special Risks or Circumstances

County reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

Insurance Limits

The limits of insurance described herein shall not limit the liability of the Consultant and Consultant's officers, employees, agents, representatives or subcontractors. Consultant's obligation to defend, indemnify and hold the County, its officers, officials, employees, agents and volunteers harmless under the provisions of this paragraph is not limited to or restricted by any requirement in the Agreement for Consultant to procure and maintain a policy of insurance.

[SIGNATURES SET FORTH ON THE FOLLOWING PAGE]

APPROVED AS TO INSURANCE CONTENT:

Stanislaus County

Chief Executive Office – Risk Management Division

By: 

Name: Kevin Watson

Title: Liability & Insurance Manager

Date: 12/13/2016

Vendor: HUB International, Inc