



# AGENDA REPORT

## CITY OF SAN CLEMENTE

### CITY COUNCIL MEETING

910 Calle Negocio  
2nd Floor  
San Clemente, California  
[www.san-clemente.org](http://www.san-clemente.org)

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**Meeting Date:** September 14, 2023

Agenda Item: 71

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**Department:** Human Resources

**Prepared By** Elora Dutra, Human Resources Analyst II – Risk Management

**Subject:**

**CONSIDERATION OF A RESOLUTION AWARDING AN AGREEMENT AND AUTHORIZING THE CITY MANAGER TO EXECUTE A THREE YEAR CONTRACT WITH ADMINSURE, INC. FOR WORKERS' COMPENSATION THIRD PARTY ADMINISTRATIVE SERVICES IN AN AMOUNT NOT TO EXCEED \$100,000 WITH TWO OPTIONAL ONE-YEAR EXTENSIONS**

**Fiscal Impact:**

Funds are budgeted annually for this ongoing service. The first three years cumulatively will not exceed \$100,000, in accordance with the contract terms. Optional extension years, if exercised, will not exceed \$38,000 per year.

**Summary:**

The City's excess insurance carrier requires the City use a third party workers' compensation administrative services on an ongoing basis. The City's current agreement for these services is set to expire on September 30, 2023. The City released a request for proposals for Workers' Compensation Third Party Administrative Services on June 30, 2023 to the five carrier-approved service providers. There were two proposers, of which AdminSure, Inc., of Ontario, was found to offer the lowest fair and reasonable price. None of the carrier-approved providers that the City is required to use are local companies. This item is the consideration of a three-year agreement with AdminSure, Inc. with the option for two one-year extensions.

**Background:**

On September 6, 2022, the City Council directed staff to complete a request for proposals (RFP) for workers' compensation third party administrative (TPA) services. A third party administrator offers claims process and employee workers compensation management under an agreement with the City to ensure compliance with all laws, regulations, and benefit administration.

The City of San Clemente has been self-insured for workers' compensation since 2002. The City self-insures for the first \$300,000 per claim and purchases excess insurance coverage through Public Risk Innovation, Solutions, and Management (PRISM). The City is classified by PRISM as low risk for workers' compensation and their actuarial reports indicate self-insurance continues to be the best way for the City to cover its workers' compensation obligation under the laws of the State of California.

PRISM requires that members select a TPA to administer the claims process from a list of five approved service providers. The approval process is rigorous and PRISM audits all providers

biannually to ensure they continue to meet the agreed upon standards. There are no local vendors on PRISM’s list of approved TPAs. The City released an RFP to the PRISM approved TPAs on June 30, 2023. Formal responses were received from LWP Claims Solutions, Inc. and AdminSure, Inc.

**Discussion:**

Staff evaluated both proposers following City Policy and Procedure #201-2-3 Selection of Professional Contractors, and conducted interviews on August 3, 2023; it was determined both proposals were fair and reasonable. LWP Claims Solutions, Inc. provided the City with two options for billing: a per claim basis and a yearly flat fee. AdminSure, Inc. submitted their fees on a per claim basis. The pricing sheets submitted by both proposers are included as Attachments 3 and 4. Staff completed an analysis and found that AdminSure, Inc. was the lowest proposer based on their fee structure.

Both proposers submitted a fee increase of 3% per year as shown in the table below. The anticipated yearly cost for AdminSure, Inc. is based on the City’s five-year average of 18 open claims per month.

Comparison of Anticipated Fees				
Year	Term	AdminSure, Inc.		LWP Claims Solutions, Inc. – Yearly Flat Fee
		Per Open Claim Fee	Anticipated Yearly Cost	
1	October 2023 – September 2024	\$115	\$24,840	\$30,000
2	October 2024 – September 2025	\$119	\$25,704	\$30,900
3	October 2025 – September 2026	\$123	\$26,568	\$31,827
4	October 2026 – September 2027	\$127	\$27,432	\$32,782
5	October 2027 – September 2028	\$131	\$28,296	\$33,765

The City has contracted with AdminSure, Inc. for WC TPA services since September 2008 when they were initially selected through the RFP process. They have extensive experience handling public agency claims, provide claims administration services for 68 PRISM members, and are familiar with the City’s internal policies. After completing the RFP process, AdminSure, Inc. is recommended by staff as the best option because they provide the lowest cost alongside dependable service and continuity of existing operations.

**Council Options:**

- Adopt Resolution No. 23-98, awarding an agreement for Workers’ Compensation Third Party Administrative Services to AdminSure, Inc. and authorizing the City Manager to execute an agreement for a period of three years in an amount not to exceed \$100,000 cumulatively, with the option for two one-year extensions in an amount not to exceed \$38,000 per option year.
- Modify the agreement to a different term and/or modify and adopt Resolution No. 23-98.
- Continue the item with direction to provide additional information.

***Environmental Review/Analysis:***

Not a “project” under the California Environmental Quality Act.

***Recommended Actions:***

**Staff Recommendation**

Adopt Resolution 23-98, awarding an agreement to AdminSure, Inc. to provide Workers’ Compensation Third Party Administrative Services and authorizing the City Manager execute the three-year agreement in an amount not to exceed \$100,000 cumulatively, with the option for two one-year extensions in an amount not to exceed \$38,000 per option year.

***Attachment:***

1. Resolution No. 23-98
2. Proposed Professional Consultant Services Agreement with AdminSure, Inc.
3. Pricing Sheet submission – LWP Claims Solutions, Inc.
4. Pricing Sheet submission – AdminSure, Inc.

***Notification:***

All proposers.

RESOLUTION NO. 23-98

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE, CALIFORNIA, AWARDED A THREE-YEAR CONTRACT TO ADMINSURE, INC. FOR WORKERS' COMPENSATION THIRD PARTY ADMINISTRATIVE SERVICES AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE CONTRACT IN AN AMOUNT NOT TO EXCEED \$100,000 DURING THE INITIAL TERM WITH AN OPTION FOR TWO ADDITIONAL ONE-YEAR TERMS IN AN AMOUNT NOT TO EXCEED \$38,000 PER OPTION YEAR

WHEREAS, the City participates in an excess workers' compensation pool through Public Risk Innovation, Solutions, and Management (PRISM) that requires the use of a third party administrator for self-insured workers' compensation claims; and

WHEREAS, the City has conducted a formal request for proposals for Workers' Compensation Third Party Administrative Services; and

WHEREAS, in July 2023, the City received two responses to the request for proposals; and

WHEREAS, based on the City's analysis, AdminSure, Inc. was found to offer the lowest fair and reasonable price.

NOW, THEREFORE, The City Council of the City of San Clemente does hereby resolve as follows:

Section 1. That the above recitations are true and correct and incorporated herein.

Section 2. That AdminSure, Inc. is hereby awarded a contract to provide Workers' Compensation Third Party Administrative services to the City of San Clemente based on their response to the request for proposals released on June 30, 2023.

Section 3. That the City Manager is authorized and directed to execute an Agreement for Workers' Compensation Third Party Administrative services with AdminSure, Inc. for a period of three years in an amount not to exceed \$100,000 cumulatively, with the option for two one-year extensions in an amount not to exceed \$38,000 per option year, in a form substantially similar as that presented to City Council on September 14, 2023.

Section 4. The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED this \_\_\_\_\_ day of September, 2023.

ATTEST:

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City Clerk of the City of  
San Clemente, California

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Mayor of the City of San  
Clemente, California

STATE OF CALIFORNIA     )  
 COUNTY OF ORANGE     ) §  
 CITY OF SAN CLEMENTE    )

I, LAURA CAMPAGNOLO, City Clerk of the City of San Clemente, California, do hereby certify that Resolution No. 23-98 was adopted at a regular meeting of the City Council of the City of San Clemente held on the \_\_\_\_\_ day of September, 2023, by the following vote:

AYES:

NOES:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Clemente, California, this \_\_\_\_\_ day of September, 2023.

\_\_\_\_\_  
 CITY CLERK of the City of  
 San Clemente, California

Approved as to form:

\_\_\_\_\_  
 Elizabeth A. Mitchell, City Attorney

## CITY OF SAN CLEMENTE

## PROFESSIONAL CONSULTANT SERVICES AGREEMENT

## 1. PARTIES AND DATE.

This Agreement is made and entered into this 1st day of October, 2023, by and between the City of San Clemente, a municipal corporation, organized under the laws of the State of California, with its principal place of business at 910 Calle Negocio, San Clemente, California, 92673 ("City") and **AdminSure, Inc.**, a California Corporation, with its principal place of business at **3380 Shelby Street, Ontario, CA 91764** ("Consultant"). City and Consultant are sometimes individually referred to herein as "Party" and collectively as "Parties."

## 2. RECITALS.

## 2.1 Consultant.

Consultant desires to perform and assume responsibility for the provision of certain professional **Workers' Compensation Third Party Administrative** services required by the City on the terms and conditions set forth in this Agreement. Consultant represents that it is experienced in providing professional **Workers' Compensation Third Party Administrative** services to public clients, is licensed in the State of California, if applicable, and is familiar with the policies of City.

## 2.2 Project.

City desires to engage Consultant to render such professional employee **third party administrative** consulting services for the **Workers' Compensation Third Party Administrative** project ("Project") as set forth in this Agreement.

## 3. TERMS.

## 3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Consultant promises and agrees to furnish to the City all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the professional **third party administrative** consulting services necessary for the Project ("Services"). The Services are more particularly described in Exhibit "A" attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations. Additionally, Consultant shall comply with all Federal requirements applicable to the Services as set forth in Exhibit "A-I.]"

3.1.2 Term. The term of this Agreement shall be from **October 1, 2023 to September 30, 2026**, unless earlier terminated as provided herein. The Agreement has the option to be extended for two additional periods of one-year each. Consultant shall complete the Services within the term of this Agreement, and shall meet any other established schedules and deadlines.

### 3.2 Responsibilities of Consultant.

3.2.1 Independent Contractor; Control and Payment of Subordinates. The Services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. City retains Consultant on an independent contractor basis and not as an employee. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall also not be employees of City and shall at all times be under Consultant's exclusive direction and control. Neither City, nor any of its officials, officers, directors, employees or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Schedule of Services. Consultant shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the Schedule of Services set forth in Exhibit "B" attached hereto and incorporated herein by reference. Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant's conformance with the Schedule, City shall respond to Consultant's submittals in a timely manner. Upon request of City, Consultant shall provide a more detailed schedule of anticipated performance to meet the Schedule of Services.

3.2.3 Endorsement on PS&E/ Other Data. Consultant shall sign all plans, specifications, estimates (PS&E) and engineering data furnished by Consultant, and where appropriate will indicate Consultant's authorized signature and professional registration number.

3.2.4 Conformance to Applicable Requirements. All work prepared by Consultant shall be subject to the approval of City.

3.2.5 Substitution of Key Personnel. Consultant has represented to City that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon written approval of City. In the event that City and Consultant cannot agree as to the substitution of key personnel, City shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the Services in a manner acceptable to the City, or who are determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project or a threat to the safety of persons or property, shall be promptly removed from the Project by the Consultant at the request of the City. The key personnel for performance of this Agreement are as follows: **Alithia Vargas-Flores, Chief Executive Officer and Chief Financial Officer.**

3.2.6 City's Representative. The City hereby designates **Johanne Thordahl, HR Manager**, or his/her designee, to act as its representative in all matters pertaining to the administration and performance of this Agreement ("City's Representative"). City's Representative shall have the power to act on behalf of the City for review and approval of all products submitted by Consultant but not the authority to enlarge the Scope of Work or change the total compensation due to Consultant under this Agreement. The City Manager shall be authorized to act on City's behalf and to execute all necessary documents which enlarge the



Scope of Work or change the Consultant's total compensation subject to the provisions contained in Section 3.3 of this Agreement. Consultant shall not accept direction or orders from any person other than the City Manager, City's Representative or his/her designee.

3.2.7 Consultant's Representative. Consultant hereby designates **Alithia Vargas-Flores, Chief Executive Officer and Chief Financial Officer** or his/her designee, to act as its representative for the performance of this Agreement ("Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his/her best skill and attention, and shall be responsible for all means, methods, techniques, sequences, and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.2.8 Coordination of Services. Consultant agrees to work closely with City staff in the performance of Services and shall be available to City's staff, consultants and other staff at all reasonable times.

3.2.9 Standard of Care; Performance of Employees. Consultant shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and subconsultants shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and subconsultants have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Consultant shall perform, at its own cost and expense and without reimbursement from the City, any services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein. Any employee of the Consultant or its sub-consultants who is determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to the City, shall be promptly removed from the Project by the Consultant and shall not be re-employed to perform any of the Services or to work on the Project.

3.2.10 Laws and Regulations. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with Services. If Consultant performs any work knowing it to be contrary to such laws, rules and regulations, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify and hold City, its officials, directors, officers, employees, agents, and volunteers free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.2.11 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions, where

applicable, shall include, but shall not be limited to: (A) adequate life protection and lifesaving equipment and procedures; (B) instructions in accident prevention for all employees and subconsultants, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.2.12 Insurance. Consultant agrees to procure and maintain, at Consultant's expense all insurance specified in Exhibit "C" attached hereto and by this reference incorporated herein. Consultant shall require all subconsultants to carry the same policies and limits of insurance that the Consultant is required to maintain, unless otherwise approved in writing by the City.

### 3.3 Fees and Payments.

3.3.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "D" attached hereto and incorporated herein by reference. The total compensation shall not exceed **the per open claim fee per year and a three-year total cost of one hundred thousand dollars (\$100,000)** without written approval of the City Council or City Manager as applicable. If the Agreement is extended, the total compensation shall not exceed **the per open claim fee per year and a one-year total cost of thirty-eight thousand dollars (\$38,000)**. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

3.3.2 Payment of Compensation. Consultant shall submit to City a monthly invoice which indicates work completed and hours of Services rendered by Consultant. The invoice shall describe the amount of Services provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the invoice. City shall, within 30 days of receiving such invoice, review the invoice and pay all non-disputed and approved charges thereon. If the City disputes any of Consultant's fees, the City shall give written notice to Consultant within thirty (30) days of receipt of an invoice of any disputed fees set forth therein.

3.3.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by City, or included in Exhibit "D" of this Agreement.

3.3.4 Extra Work. At any time during the term of this Agreement, City may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of the Project, but which the Parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from the City.

3.3.5 Rate Increases. In the event that this Agreement is renewed pursuant to Section 3.1.2, the rate set forth in Exhibit "D" may be adjusted each year at the time of renewal as set forth in Exhibit "D."

#### 3.3.6 Labor Code Requirements.

3.3.6.1 Prevailing Wages. Consultant is aware of the requirements of

California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. If the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. Consultant shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Consultant's principal place of business and at the project site. Consultant shall defend, indemnify and hold the City, its officials, officers, employees, agents, and volunteers free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

3.3.6.2 Registration. If the Services are being performed as part of an applicable "public works" or "maintenance" project, in addition to the foregoing, then pursuant to Labor Code sections 1725.5 and 1771.1, the Consultant and all subconsultants must be registered with the Department of Industrial Relations ("DIR"). Consultant shall maintain registration for the duration of the project and require the same of any subconsultants. This project may also be subject to compliance monitoring and enforcement by the DIR. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements, including the submission of payroll records directly to the DIR. Notwithstanding the foregoing, the contractor registration requirements mandated by Labor Code sections 1725.5 and 1771.1 shall not apply to Services performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code sections 1725.5 and 1771.1.

### **3.4 Accounting Records.**

3.4.1 Maintenance and Inspection. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of four (4) years from the date of final payment under this Agreement.

### **3.5 General Provisions.**

#### 3.5.1 Termination of Agreement.

3.5.1.1 Grounds for Termination. City may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time, with or without cause, by giving written notice to Consultant of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Consultant shall be compensated only for those services which have been adequately rendered to City, and Consultant shall be entitled to no further compensation. Consultant may not terminate this Agreement except for cause.

3.5.1.2 Effect of Termination. If this Agreement is terminated as provided herein, City may require Consultant to provide all finished or unfinished Documents and Data and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such document and other information within fifteen (15) days of the request.

3.5.1.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.5.2 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Consultant:                   **AdminSure, Inc.**  
                                      **3380 Shelby Street**  
                                      **Ontario, CA 91764**  
                                      **ATTN: Alithia Vargas-Flores, CEO and CFO**

City:                           **City of San Clemente**  
                                      **910 Calle Negocio**  
                                      **San Clemente, CA 92673**  
                                      **ATTN: Johanne Thordahl, HR Manager**

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.5.3 Ownership of Materials and Confidentiality.

3.5.3.1 Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for City to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement ("Documents & Data"). Consultant shall require all subconsultants to agree in writing that City is granted a non-exclusive and perpetual license for any Documents & Data the subconsultant prepares under this Agreement. Consultant represents and warrants that Consultant has the legal right to license any and all Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or provided to Consultant by the City. City shall not be limited in any way in its use of the Documents & Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at City's sole risk.

3.5.3.2 Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents & Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall not, without the prior written consent of City, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use City's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of City.

3.5.3.3 Confidential Information. The City shall refrain from releasing Consultant's proprietary information ("Proprietary Information") unless the City's legal counsel determines that the release of the Proprietary Information is required by the California Public Records Act or other applicable state or federal law, or order of a court of competent jurisdiction, in which case the City shall notify Consultant of its intention to release Proprietary Information. Consultant shall have five (5) working days after receipt of the Release Notice to give City written notice of Consultant's objection to the City's release of Proprietary Information. Consultant shall indemnify, defend and hold harmless the City, and its officers, directors, employees, and agents from and against all liability, loss, cost or expense (including attorney's fees) arising out of a legal action brought to compel the release of Proprietary Information. City shall not release the Proprietary Information after receipt of the Objection Notice unless either: (1) Consultant fails to fully indemnify, defend (with City's choice of legal counsel), and hold City harmless from any legal action brought to compel such release; and/or (2) a final and non-appealable order by a court of competent jurisdiction requires that City release such information.

3.5.4 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.5.5 Attorney's Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

#### 3.5.6 Indemnification.

3.5.6.1 To the fullest extent permitted by law, Consultant shall defend (with counsel of City's choosing), indemnify and hold the City, its directors, officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's Services, the Project or this Agreement, including without limitation the payment of all damages, expert witness fees and attorney's fees and other related costs and expenses. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Consultant, the City, its officials, officers, employees, agents, or volunteers.

3.5.6.2 If Consultant's obligation to defend, indemnify, and/or hold harmless arises out of Consultant's performance as a "design professional" (as that term is defined under Civil Code section 2782.8), then, and only to the extent required by Civil Code section 2782.8, which is fully incorporated herein, Consultant's indemnification obligation shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, and, upon Consultant obtaining a final adjudication by a court of competent jurisdiction, Consultant's liability for such claim, including the cost to defend, shall not exceed the Consultant's proportionate percentage of fault.

3.5.7 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both parties.

3.5.8 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Orange County.

3.5.9 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.5.10 City's Right to Employ Other Consultants. City reserves right to employ other consultants in connection with this Project.

3.5.11 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties.

3.5.12 Assignment or Transfer. Consultant shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the City. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.5.13 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Consultant include all personnel, employees, agents, and subconsultants of Consultant, except as otherwise specified in this Agreement. All references to City include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

3.5.14 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.5.15 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

3.5.16 No Third-Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.5.17 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.5.18 Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of City, during the term of his or her service

with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.5.19 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subconsultant, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of City's Minority Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

3.5.20 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.5.21 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party and signatory represent and warrant that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party and will indemnify the other party for all costs (including attorney fees) incurred should such representation and warrant be false.

3.5.22 Counterparts/Electronic Signatures. This Agreement may be signed electronically and in counterparts, each of which shall constitute an original. A true and correct electronic copy of this Agreement may be used for all purposes as an original signed in ink.

### **3.6 Subcontracting.**

3.6.1 Prior Approval Required. Consultant shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written approval of City. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on the respective dates set forth opposite of their signatures.

**CITY OF SAN CLEMENTE**

By: \_\_\_\_\_  
Andy Hall, City Manager

**ATTEST:**

\_\_\_\_\_  
CITY CLERK of the City of  
San Clemente, California

Dated: \_\_\_\_\_, 2023

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Elizabeth A. Mitchell, City Attorney

**APPROVED AS TO AVAILABILITY  
OF FUNDING:**

\_\_\_\_\_  
Finance Authorization

**AdminSure, Inc.**  
("CONSULTANT")  
Consultant Entity Number 1160242

By: Alithia Vargas-Flores  
Alithia Vargas-Flores, CEO/CFO

Dated: August 28, 2023

By: Ashley C. Sells  
Ashley C. Sells, Secretary

Dated: August 28, 2023



**EXHIBIT "A"**  
**SCOPE OF SERVICES**

Consultant shall perform the following scope of services (collectively "Services"):

Consultant shall perform all services required to supervise and administer a self-insured workers' compensation program for the City, and to act as the City's representative in matters relating to the City's obligations under the workers' compensation laws of the State of California. Consultant shall perform to the standards outlined within PRISM's "Addendum A – Workers' Compensation Claims Administration Standards," PRISM's "Philosophy and Expectations of the Workers' Compensation Claims Administration Standards (Addendum A) and Workers' Compensation Claims Audit Process," and the items listed below.

**A. Program Administration**

- Administration and Reporting
  - Administer all claims except "first aid only" claims; first aid only claims are to be administered by the City.
  - Report claims to excess insurers in accordance with policy terms and collect excess payments.
- Assessments – Consultant shall be responsible for all penalties assessed whether by the Administrative Director, Office of Self-Insurance Plans, or the Office of Benefits and Enforcement, unless said penalties are for late indemnity payments which were caused by the City's late report of claim. If any penalty shall accrue as a result of the City's personnel practices, then the City shall be responsible and shall be billed by the Consultant.
- Settlement of Claims - Review and consult with the City on proposed settlements and secure approval before a Compromise and Release or Stipulated Settlement is filed with the Appeals Board for approval.

**B. Reporting Services & Record Retention**

- Provide the City with regular monthly and quarterly reports in the format and number requested by the City. Such reports include, but may not be limited to, transaction reports; check registers; loss experience reports; management summary reports; weekly claims registers; monthly claims summary reports; monthly claims register reports; annual report to the State; annual tax statements, including Federal Form 1099 and State Form 599 as appropriate; large loss reports – over \$25,000 and \$100,000; and required excess insurance carrier reporting in accordance with PRISM's written policy and contract.
- Monthly computer-produced claims information data will be required to include a detailed listing of open claims; summaries of all open and closed claims; a monthly reconciliation of the Workers' Compensation checking account; and specialized loss reports as requested by the City.

**C. Workers' Compensation Trust Fund Checking Account**

- The City shall establish a trust fund checking account to cover payments and reimbursements applicable to the self-insured workers' compensation program. The trust fund checking account shall be established in the name of the Consultant as an agent of the City. Deposits shall be made to the account as required to ensure that funds are available for payment of claims for settlement and allocated loss expenses upon presentation of such checks or warrants. The Consultant shall provide the bank checks stock. Checks shall be protected with state of the art security features. Consultant shall not draw on the trust fund checking account for any purpose other than adjustment of claims and payment of allocated loss expenses. Once each week, Consultant shall provide the City with a detailed accounting of all workers' compensation benefits and allocated loss expenses paid from the fund. The detailed accounting shall include the date and check number of all benefit and allocated loss payments and shall also include appropriate supporting documentation for allocated loss expense payments. A monthly check register summary shall be provided. Consultant is responsible for erroneous payments made from the account by their error. The amount of any such erroneous payments made from the account shall be deducted from administrative fee payments. Consultant shall develop, implement, and maintain security procedures to ensure safeguard of funds in the account and the bank checks. Such procedures shall be approved by the City.

**D. Records Retention and Inspection**

- The Consultant agrees that the City shall have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent records pertaining to the agreement.
- All records shall be kept and maintained by the Consultant and made available to the City during the term of the agreement and for a period of five (5) years thereafter. All such records shall be delivered to the City in the format and media specified upon termination of the agreement.

**E. Ownership of Records**

- Consultant must stipulate that all claim files, electronic data processing/management information system records, and all records generated on behalf of the City are owned by the City and that claim files will be available to the City upon request.

**EXHIBIT "B"**  
**SCHEDULE OF SERVICES**

THIRD PARTY ADMINISTRATIVE CONSULTING SERVICES TO COMMENCE OCTOBER 1,  
2023

<b>3 Year contract – cost per open claim fee structure</b>		
<b>Year</b>	<b>Term</b>	<b>Per Open Claim</b>
1	October 2023 – September 2024	\$115
2	October 2024 – September 2025	\$119
3	October 2025 – September 2026	\$123

<b>Option for two 1 Year extensions – cost per open claim fee structure</b>		
<b>Year</b>	<b>Term</b>	<b>Per Open Claim</b>
4	October 2026 – September 2027	\$127
5	October 2027 – September 2028	\$131

**EXHIBIT "C"**  
**INSURANCE REQUIREMENTS**

3.2.12 Insurance.

3.2.12.1 Time for Compliance. Consultant shall not commence work under this Agreement until it has provided evidence satisfactory to the City that it has secured all insurance required under this section. In addition, Consultant shall not allow any subconsultant to commence work on any subcontract until it has provided evidence satisfactory to the City that the subconsultant has secured all insurance required under this section.

3.2.12.2 Types of Insurance Required. As a condition precedent to the effectiveness of this Agreement for work to be performed hereunder, and without limiting the indemnity provisions of the Agreement, the Consultant, in partial performance of its obligations under such Agreement, shall procure and maintain in full force and effect during the term of the Agreement the following policies of insurance. If the existing policies do not meet the insurance requirements set forth herein, Consultant agrees to amend, supplement or endorse the policies to do so.

(A) **Commercial General Liability:** Commercial General Liability Insurance which affords coverage at least as broad as Insurance Services Office "occurrence" form CG 0001, or the exact equivalent, with limits of not less than \$1,000,000 per occurrence and no less than \$2,000,000 in the general aggregate. Defense costs shall be paid in addition to the limits. The policy shall contain no endorsements or provisions (1) limiting coverage for contractual liability; (2) excluding coverage for claims or suits by one insured against another (cross-liability); or (3) containing any other exclusion(s) contrary to the terms or purposes of this Agreement.

(B) **Automobile Liability Insurance:** Automobile Liability Insurance with coverage at least as broad as Insurance Services Office Form CA 0001 covering "Any Auto" (Symbol 1), or the exact equivalent, covering bodily injury and property damage for all activities with limits of not less than \$1,000,000 combined limit for each occurrence. (1) a Personal Automobile Liability policy for the Consultant's own vehicle stipulating "Automobile Liability Insurance with a limit of not less than \$1,000,000 each accident"; and (2) a non-owned auto endorsement to the Commercial General Liability policy if Consultant uses vehicles of others (e.g., vehicles of employees).

(C) **Workers' Compensation:** Workers' Compensation Insurance, as required by the State of California and Employer's Liability Insurance with a limit of not less than \$1,000,000 per accident for bodily injury and disease.

(D) **Professional Liability (Errors & Omissions):** Professional Liability insurance or Errors & Omissions insurance appropriate to Consultant's profession with limits of not less than \$1,000,000 per claim. Covered professional services shall specifically include all work to be performed under the Agreement and delete any exclusions that may potentially affect the work to be performed (for example, any exclusions relating to lead, asbestos, pollution, testing, underground storage tanks, laboratory analysis, soil work, etc.). If coverage is written on a claims-made basis, the retroactive date shall precede the effective date of the initial Agreement and continuous coverage will be maintained or an extended reporting period will be exercised for a period of at least three (3) years from termination or expiration of this Agreement.

(E) Cyber Liability Insurance with limits not less than \$2,000,000 per occurrence or claim, \$2,000,000 aggregate. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Contractor in this agreement and shall include, but not be limited to, claims involving security breach, system failure, data recovery, business interruption, cyber extortion, social engineering, infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, and alteration of electronic information. The policy shall provide coverage for breach response costs, regulatory fines and penalties as well as credit monitoring expenses.

3.2.12.3 Insurance Endorsements. Required insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms approved by the City to add the following provisions to the insurance policies:

(A) Commercial General Liability:

(1) Additional Insured: The City, its officials, officers, employees, agents, and volunteers shall be additional insureds with regard to liability and defense of suits or claims arising out of the performance of the Agreement.

Additional Insured Endorsements shall not (1) be restricted to "ongoing operations"; (2) exclude "contractual liability"; (3) restrict coverage to "sole" liability of Consultant; or (4) contain any other exclusions contrary to the terms or purposes of this Agreement. For all policies of Commercial General Liability insurance, Consultant shall provide endorsements in the form of ISO CG 20 10 10 01 (or endorsements providing the exact same coverage) to effectuate this requirement.

(2) Cancellation: Required insurance policies shall not be canceled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the City except ten (10) days shall be allowed for non-payment of premium.

(B) Automobile Liability:

(1) Cancellation: Required insurance policies shall not be canceled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the City except ten (10) days shall be allowed for non-payment of premium.

3.2.12.4 Professional Liability (Errors & Omissions):

(A) Cancellation: Required insurance policies shall not be canceled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the City except ten (10) days shall be allowed for non-payment of premium.

(B) Contractual Liability Exclusion Deleted: This insurance shall include contractual liability applicable to this Agreement. The policy must "pay on behalf of" the insured and include a provision establishing the insurer's duty to defend.

3.2.12.5 Workers' Compensation:

(A) Cancellation: Required insurance policies shall not be canceled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the City except ten (10) days shall be allowed for non-payment of premium.

3.2.12.6 Primary and Non-Contributing Insurance. All policies of Commercial General Liability and Automobile Liability insurance shall be primary and any other insurance, deductible, or self-insurance maintained by the City, its officials, officers, employees, agents, or volunteers shall not contribute with this primary insurance. Policies shall contain or be endorsed to contain such provisions.

3.2.12.7 Waiver of Subrogation. All policies of Commercial General Liability and Automobile Liability insurance shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against the City, its officials, officers, employees, agents, and volunteers, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

3.2.12.8 Deductibles and Self-Insured Retentions. Any deductible or self-insured retention greater than \$5,000 must be approved in writing by the City and shall protect the City, its officials, officers, employees, agents, and volunteers in the same manner and to the same extent as they would have been protected had the policy or policies not contained a deductible or self-insured retention.

3.2.12.9 Evidence of Insurance. The Consultant, concurrently with the execution of the Agreement, and as a condition precedent to the effectiveness thereof, shall deliver either certified copies of the required policies, or original certificates on forms approved by the City, together with all endorsements affecting each policy. Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to the City for approval. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least fifteen (15 days) prior to the expiration of any such policy, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with the City. If such coverage is cancelled or reduced and not replaced immediately so as to avoid a lapse in the required coverage, Consultant shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the City evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies.

3.2.12.10 Failure to Maintain Coverage. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced immediately so as to avoid a lapse in the required coverage, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Consultant or City will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, City may cancel this Agreement effective upon notice.

3.2.12.11 Acceptability of Insurers. Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A- VII and authorized to transact business of insurance in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

3.2.12.12 Enforcement of Agreement Provisions (non estoppel).

Consultant acknowledges and agrees that actual or alleged failure on the part of the City to inform Consultant of non-compliance with any requirement imposes no additional obligation on the City nor does it waive any rights hereunder.

3.2.12.13 Requirements Not Limiting. Requirement of specific coverage or minimum limits contained in this Appendix are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance.

3.2.12.14 Insurance for Subconsultants. Consultant shall include all subconsultants engaged in any work for Consultant relating to this Agreement as additional insureds under the Consultant's policies, or the Consultant shall be responsible for causing subconsultants to purchase the appropriate insurance in compliance with the terms of these Insurance Requirements, including adding the City, its officials, officers, employees, agents, and volunteers as additional insureds to the subconsultant's policies. All policies of Commercial General Liability insurance provided by Consultant's subconsultants performing work relating to this Agreement shall be endorsed to name the City, its officials, officers, employees, agents and volunteers as additional insureds using endorsement form ISO CG 20 38 04 13 or an endorsement providing equivalent coverage. Consultant shall not allow any subconsultant to commence work on any subcontract relating to this Agreement until it has received satisfactory evidence of subconsultant's compliance with all insurance requirements under this Agreement, to the extent applicable. The Consultant shall provide satisfactory evidence of compliance with this section upon request of the City.

WORKER'S COMPENSATION INSURANCE CERTIFICATION

**WORKERS' COMPENSATION DECLARATION**

I hereby affirm under penalty of perjury one of the following declarations:

***(ONE OF THE BOXES BELOW MUST BE CHECKED)***

I have and will maintain a certificate of consent from the California Labor Commission to self-insure for workers' compensation, as provided for by Section 3700 of the Labor Code, for the performance of the work to be performed under this contract.

I have and will maintain workers' compensation insurance, as required by Section 3700 of the Labor Code, for the performance of the work to be performed under this contract. My workers' compensation insurance carrier and policy number are:

Carrier: CNA

Policy Number: 7036375039

I certify that, in the performance of the work under this Agreement, I shall not employ any person in any manner so as to become subject to the workers' compensation laws of California, and I hereby agree to indemnify, defend, and hold harmless the City of San Clemente and all of its officials, employees, and agents from and against any and all claims, liabilities, and losses relating to personal injury or death, economic losses, and property damage arising out of my failure to provide such worker's compensation insurance. I further agree that, if I should become subject to the workers' compensation provisions of Section 3700 of the Labor Code, I shall forthwith comply with those provisions.

**WARNING: FAILURE TO SECURE WORKERS' COMPENSATION COVERAGE IS UNLAWFUL, AND SHALL SUBJECT AN EMPLOYER TO CRIMINAL PENALTIES AND CIVIL FINES UP TO ONE HUNDRED THOUSAND DOLLARS**



(\$100,000), IN ADDITION TO THE COST OF COMPENSATION, DAMAGES AS PROVIDED FOR IN SECTION 3706 OF THE LABOR CODE, INTEREST, AND ATTORNEY'S FEES.

Dated: August 28, 2023

AdminSure Inc.  
Consultant

By:   
Ashley C. Sells

Secretary  
Title

3380 Shelby Street  
Address

Ontario, CA 91764  
Address

**EXHIBIT "D"**  
**RATES**

In full compensation for the Services provided under the Agreement, Consultant shall receive the cost per open claim and bill the City on a monthly basis as follows:

<b>3 Year contract – cost per open claim fee structure</b>		
<b>Year</b>	<b>Term</b>	<b>Per Open Claim</b>
1	October 2023 – September 2024	\$115
2	October 2024 – September 2025	\$119
3	October 2025 – September 2026	\$123

<b>Option for two 1 Year extensions – cost per open claim fee structure</b>		
<b>Year</b>	<b>Term</b>	<b>Per Open Claim</b>
4	October 2026 – September 2027	\$127
5	October 2027 – September 2028	\$131

If costs are anticipated to exceed the above budget, Consultant shall obtain written authorization from the City for the Extra Work before it is performed. In no event shall total compensation under this Agreement exceed one hundred thousand dollars (\$100,000) cumulatively during the first three years or thirty-eight thousand dollars (\$38,000) per year thereafter if the Agreement is extended into year four or five.

All other fees will be charged as listed on the following page.

## Pricing Sheet - City of San Clemente RFP WC TPA

Description	Type	Fees & Options		
Per Claim Basis	Medical Only	\$115 per open claim per month - year 1		
	Indemnity	\$115 per open claim per month - year 1		
	Take Over Claims	Not applicable		
	Medical Only	Not applicable		
	Indemnity	Not applicable		
Flat Fee Rate	1st Year	\$115 per open claim per month		
	2nd Year	\$119 per open claim per month		
	3rd Year	\$123 per open claim per month		
	4th Year	\$127 per open claim per month		
	5th Year	\$131 per open claim per month		
	Other	3% minimum increase for all future years		
Per Examiner / Position Rate	1st Year	Not applicable		
	2nd Year	Not applicable		
	3rd Year	Not applicable		
	4th Year	Not applicable		
	5th Year	Not applicable		
	Other	Not applicable		
Additional Charges	Bill Review	1. PPO Discounts	Up to 27% of savings	
		2. Fee Schedule	\$15 flat fee	
		3. Pass Through Bills	\$15 flat fee	
		4. Bill Check	\$15 flat fee	
		5. Other	.75 cents per ebill/ocr when applicable	
	Utilization Review	1. State Mandated	Max. \$750 per total charge	
		2. Peer Review	Min. \$300 per hour	
		3. Field Case Manager	City's choice of vendor; at-cost	
		4. Telephonic Case	City's choice of vendor; at-cost	
		5. Manager	Not applicable	
	Vendor Fees	1. Legal Fees	City's choice of vendor, at-cost	
		2. Expert Fees	City's choice of vendor, at-cost	
		3. Investigation Fees	City's choice of vendor, at-cost	
		4. Other Fees	All vendors are city-chosen	
	Administration Fees	1. Annual	See above per claim basis/flat fee rate	
		2. Other	See above per claim basis/flat fee rate	
System Fees	1. System Access	Read-only is no additional fee		
	2. Data Transfer	Not applicable		
	3. Conversion Fees	Not applicable		
Medical Provider Network	Provider Name / Number of Providers in City Area (no greater	The City does not currently utilize a MPN. Should the City decide to in the future, all MPN costs/fees will be at-cost.		
	Annual Costs	Not applicable		
Excluded Costs	List All Excluded	None		
Termination	Terms of	Per the City's Contract/Agreement		
	Cancellation Fees	Per the City's Contract/Agreement		
	File Transfer	Per the City's Contract/Agreement		
	End of Contract Claims Handling Fees	1. Medical Only	See above per claim basis/flat fee rate	
		2. Indemnity	See above per claim basis/flat fee rate	
3. Monthly Rate		See above per claim basis/flat fee rate		

## Pricing Sheet - City of San Clemente RFP WC TPA

Description	Type	Fees & Options	
Per Claim Basis	Medical Only	\$150 per claim reported - one time charge. Per claim fee will increase by 3% per year for the life of the contract	
	Indemnity	\$400 month reported and \$150 per month each subsequent month claim remains open. Price will increase by 3% annually for the life of the contract.	
	Take Over Claims		
	Medical Only	\$150 per claim open at time of takeover	
	Indemnity	\$400 month reported and \$150 per month each subsequent month claim remains open. Monthly fee subject to 3% annual escalation for life of contract.	
Flat Fee Rate	1st Year	\$30,000	
	2nd Year	\$30,900	
	3rd Year	\$31,827	
	4th Year	\$32,782	
	5th Year	\$33,765	
	Other		
Per Examiner / Position Rate	1st Year	\$245,000 per Senior Examiner based on 125 caseload	
	2nd Year	\$252,300 per Senior Examiner based on 125 caseload	
	3rd Year	\$259,921 per Senior Examiner based on 125 caseload	
	4th Year	\$267,718 per Senior Examiner based on 125 caseload	
	5th Year	\$275,750 per Senior Examiner based on 125 caseload	
	Other		
Additional Charges	Bill Review	1. PPO Discounts	24% of reduction below FS (27% of reduction below FS for Anthem Network if used)
		2. Fee Schedule	\$9 per bill plus PPO reduction, \$300 per inpatient/outpatient or surgery center bill plus PPO
		3. Pass Through Bills	N/A
		4. Bill Check	N/A
		5. Other	Specialized Network access \$5 per bill, bill review charges do not apply - DMG, Diagnostic Testing, PT, Pharmacy Bills not subject to Fee Schedule - 24% of reduction

## Pricing Sheet - City of San Clemente RFP WC TPA

Utilization Review	1. State Mandated	Adjuster Review - no charge Nurse Review - \$120 flat fee (up to 3 medical requests in a single review)
	2. Peer Review	Physician Review - \$235 plus nurse charge Pharmacy Review - \$385 plus nurse charge
	3. Field Case Manager	\$108 per hour + incidentals (including mileage, phone, tolls, parking, etc.)
	4. Telephonic Case Manager	\$102 per hour
	5. Manager	N/A
Vendor Fees	1. Legal Fees	Pass through of actual charges
	2. Expert Fees	Pass through of actual charges
	3. Investigation Fees	Field Investigation \$88 per hour SIU related work \$98 per hour if LWP vendor used
	4. Other Fees	Subrogation negotiated by LWP staff - 15% of gross recovery. Lien negotiated by LWP staff - 15% of reduction.
Administration Fees	1. Annual	\$2,500
	2. Other	
System Fees	1. System Access	No charge up to 4 users - additional uses \$250 per year
	2. Data Transfer	\$8,500
	3. Conversion Fees	Included

## Pricing Sheet - City of San Clemente RFP WC TPA

Medical Provider Network	Provider Name / Number of Providers in City Area (no greater than 25 miles out of City)		LWP Platinum MPN / Signature Networks Plus LWP Platinum MPN- custombuilt and managed by Signature Networks Plus. 1207 providers wthin 25 miles of City (includes specialists, acute care hospitals, occupational clinics, urgent care facilities and all specialsts)	
	Annual Costs		None	
Excluded Costs	List All Excluded Costs		Outgoing ACH Bank Debit if utilized	
Termination	Terms of Cancellation		Per agreement	
	Cancellation Fees		None	
	File Transfer		None	
	End of Contract Claims Handling Fees	1. Medical Only		\$150 per claim reported - one time charge
		2. Indemnity		\$400 month reported and \$150 per month each subsequent month claim remains open
3. Monthly Rate				

## Pricing Sheet - City of San Clemente RFP WC TPA

Description	Type	Fees & Options		
Per Claim Basis	Medical Only	\$115 per open claim per month - year 1		
	Indemnity	\$115 per open claim per month - year 1		
	Take Over Claims	Not applicable		
	Medical Only	Not applicable		
	Indemnity	Not applicable		
Flat Fee Rate	1st Year	\$115 per open claim per month		
	2nd Year	\$119 per open claim per month		
	3rd Year	\$123 per open claim per month		
	4th Year	\$127 per open claim per month		
	5th Year	\$131 per open claim per month		
	Other	3% minimum increase for all future years		
Per Examiner / Position Rate	1st Year	Not applicable		
	2nd Year	Not applicable		
	3rd Year	Not applicable		
	4th Year	Not applicable		
	5th Year	Not applicable		
	Other	Not applicable		
Additional Charges	Bill Review	1. PPO Discounts	Up to 27% of savings	
		2. Fee Schedule	\$15 flat fee	
		3. Pass Through Bills	\$15 flat fee	
		4. Bill Check	\$15 flat fee	
		5. Other	.75 cents per ebill/ocr when applicable	
	Utilization Review	1. State Mandated	Max. \$750 per total charge	
		2. Peer Review	Min. \$300 per hour	
		3. Field Case Manager	City's choice of vendor; at-cost	
		4. Telephonic Case	City's choice of vendor; at-cost	
		5. Manager	Not applicable	
	Vendor Fees	1. Legal Fees	City's choice of vendor, at-cost	
		2. Expert Fees	City's choice of vendor, at-cost	
		3. Investigation Fees	City's choice of vendor, at-cost	
		4. Other Fees	All vendors are city-chosen	
	Administration Fees	1. Annual	See above per claim basis/flat fee rate	
		2. Other	See above per claim basis/flat fee rate	
System Fees	1. System Access	Read-only is no additional fee		
	2. Data Transfer	Not applicable		
	3. Conversion Fees	Not applicable		
Medical Provider Network	Provider Name / Number of Providers in City Area (no greater	The City does not currently utilize a MPN. Should the City decide to in the future, all MPN costs/fees will be at-cost.		
	Annual Costs	Not applicable		
Excluded Costs	List All Excluded	None		
Termination	Terms of	Per the City's Contract/Agreement		
	Cancellation Fees	Per the City's Contract/Agreement		
	File Transfer	Per the City's Contract/Agreement		
	End of Contract Claims Handling Fees	1. Medical Only	See above per claim basis/flat fee rate	
		2. Indemnity	See above per claim basis/flat fee rate	
3. Monthly Rate		See above per claim basis/flat fee rate		