

PROFESSIONAL SERVICES CONTRACT BETWEEN
THE CITY OF HUNTINGTON BEACH AND
ACCLAMATION INSURANCE MANAGEMENT SERVICES (AIMS)
FOR
WORKERS' COMPENSATION THIRD PARTY ADMINISTRATION

THIS AGREEMENT ("Agreement") is made and entered into by and between the City of Huntington Beach, a municipal corporation of the State of California, hereinafter referred to as "CITY," and Acclamation Insurance Management Services (AIMS), Inc., a California corporation hereinafter referred to as "CONSULTANT."

WHEREAS, CITY desires to engage the services of a consultant to administer certain workers' compensation claims; and

Pursuant to documentation on file in the office of the City Clerk, the provisions of the Huntington Beach Municipal Code, Chapter 3.03, relating to procurement of professional service contracts have been complied with; and

CONSULTANT has been selected to perform these services,

NOW, THEREFORE, it is agreed by CITY and CONSULTANT as follows:

1. SCOPE OF SERVICES

CONSULTANT shall provide all services as described in **Exhibit "A,"** which is attached hereto and incorporated into this Agreement by this reference. These services shall sometimes hereinafter be referred to as the "PROJECT."

CONSULTANT hereby designates Dominic Russo, President & CEO, who shall represent it and be its sole contact and agent in all consultations with CITY during the performance of this Agreement.

2. CITY STAFF ASSISTANCE

CITY shall assign a staff coordinator to work directly with CONSULTANT in the performance of this Agreement.

3. TERM; TIME OF PERFORMANCE

Time is of the essence of this Agreement. The services of CONSULTANT are to commence on November 1, 2018^{*} (the "Commencement Date"). This Agreement shall ** approved by City Council on 12/17/18* automatically terminate three (3) years from the Commencement Date, unless extended or sooner terminated as provided herein. All tasks specified in **Exhibit "A"** shall be completed no later than 3 years from the Commencement Date. The time for performance of the tasks identified in **Exhibit "A"** are generally to be shown in **Exhibit "A."** This schedule may be amended to benefit the PROJECT if mutually agreed to in writing by CITY and CONSULTANT.

In the event the Commencement Date precedes the Effective Date, CONSULTANT shall be bound by all terms and conditions as provided herein.

4. COMPENSATION

In consideration of the performance of the services described herein, CITY agrees to pay CONSULTANT on a time and materials basis at the rates specified in **Exhibit "B,"** which is attached hereto and incorporated by reference into this Agreement, a fee, including all costs and expenses, not to exceed One Million, Three Hundred Forty Thousand, and Seventy Three Dollars (\$1,340,073.00).

5. EXTRA WORK

In the event CITY requires additional services not included in **Exhibit "A"** or changes in the scope of services described in **Exhibit "A,"** CONSULTANT will undertake such work only after receiving written authorization from CITY. Additional compensation for such extra work shall be allowed only if the prior written approval of CITY is obtained.

6. METHOD OF PAYMENT

CONSULTANT shall be paid pursuant to the terms of **Exhibit "B."**

3. TERM; TIME OF PERFORMANCE

Time is of the essence of this Agreement. The services of CONSULTANT are to commence on December 17, 2018 (the "Commencement Date"). This Agreement shall automatically terminate three (3) years from the Commencement Date, unless extended or sooner terminated as provided herein. All tasks specified in **Exhibit "A"** shall be completed no later than 3 years from the Commencement Date. The time for performance of the tasks identified in **Exhibit "A"** are generally to be shown in **Exhibit "A."** This schedule may be amended to benefit the PROJECT if mutually agreed to in writing by CITY and CONSULTANT.

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7. DISPOSITION OF PLANS, ESTIMATES AND OTHER DOCUMENTS

CONSULTANT agrees that title to all materials prepared hereunder, including, without limitation, all original drawings, designs, reports, both field and office notices, calculations, computer code, language, data or programs, maps, memoranda, letters and other documents, shall belong to CITY, and CONSULTANT shall turn these materials over to CITY upon expiration or termination of this Agreement or upon PROJECT completion, whichever shall occur first. These materials may be used by CITY as it sees fit.

8. HOLD HARMLESS

CONSULTANT hereby agrees to protect, defend, indemnify and hold harmless CITY, its officers, elected or appointed officials, employees, agents and volunteers from and against any and all claims, damages, losses, expenses, judgments, demands and defense costs (including, without limitation, costs and fees of litigation of every nature or liability of any kind or nature) arising out of or in connection with CONSULTANT's (or CONSULTANT's subcontractors, if any) negligent (or alleged negligent) performance of this Agreement or its failure to comply with any of its obligations contained in this Agreement by CONSULTANT, its officers, agents or employees except such loss or damage which was caused by the sole negligence or willful misconduct of CITY. CONSULTANT will conduct all defense at its sole cost and expense and CITY shall approve selection of CONSULTANT's counsel. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as limitation upon the amount of indemnification to be provided by CONSULTANT.

9. PROFESSIONAL LIABILITY INSURANCE

CONSULTANT shall obtain and furnish to CITY a professional liability insurance policy covering the work performed by it hereunder. This policy shall provide coverage for CONSULTANT's professional liability in an amount not less than One Million Dollars

(\$1,000,000.00) per occurrence and in the aggregate. The above-mentioned insurance shall not contain a self-insured retention without the express written consent of CITY; however an insurance policy "deductible" of Ten Thousand Dollars (\$10,000.00) or less is permitted. A claims-made policy shall be acceptable if the policy further provides that:

- A. The policy retroactive date coincides with or precedes the initiation of the scope of work (including subsequent policies purchased as renewals or replacements).
- B. CONSULTANT shall notify CITY of circumstances or incidents that might give rise to future claims.

CONSULTANT will make every effort to maintain similar insurance during the required extended period of coverage following PROJECT completion. If insurance is terminated for any reason, CONSULTANT agrees to purchase an extended reporting provision of at least two (2) years to report claims arising from work performed in connection with this Agreement.

If CONSULTANT fails or refuses to produce or maintain the insurance required by this section or fails or refuses to furnish the CITY with required proof that insurance has been procured and is in force and paid for, the CITY shall have the right, at the CITY's election, to forthwith terminate this Agreement. Such termination shall not effect Consultant's right to be paid for its time and materials expended prior to notification of termination. CONSULTANT waives the right to receive compensation and agrees to indemnify the CITY for any work performed prior to approval of insurance by the CITY.

10. CERTIFICATE OF INSURANCE

Prior to commencing performance of the work hereunder, CONSULTANT shall furnish to CITY a certificate of insurance subject to approval of the City Attorney evidencing the foregoing insurance coverage as required by this Agreement; the certificate shall:

- A. provide the name and policy number of each carrier and policy;
- B. state that the policy is currently in force; and
- C. shall promise that such policy shall not be suspended, voided or canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice; however, ten (10) days' prior written notice in the event of cancellation for nonpayment of premium.

CONSULTANT shall maintain the foregoing insurance coverage in force until the work under this Agreement is fully completed and accepted by CITY.

The requirement for carrying the foregoing insurance coverage shall not derogate from CONSULTANT's defense, hold harmless and indemnification obligations as set forth in this Agreement. CITY or its representative shall at all times have the right to demand the original or a copy of the policy of insurance. CONSULTANT shall pay, in a prompt and timely manner, the premiums on the insurance hereinabove required.

11. INDEPENDENT CONTRACTOR

CONSULTANT is, and shall be, acting at all times in the performance of this Agreement as an independent contractor herein and not as an employee of CITY. CONSULTANT shall secure at its own cost and expense, and be responsible for any and all payment of all taxes, social security, state disability insurance compensation, unemployment compensation and other payroll deductions for CONSULTANT and its officers, agents and employees and all business licenses, if any, in connection with the PROJECT and/or the services to be performed hereunder.

12. TERMINATION OF AGREEMENT

All work required hereunder shall be performed in a good and workmanlike manner. CITY may terminate CONSULTANT's services hereunder at any time with or without cause, and whether or not the PROJECT is fully complete. Any termination of this Agreement by CITY shall

be made in writing, notice of which shall be delivered to CONSULTANT as provided herein. In the event of termination, all finished and unfinished documents, exhibits, report, and evidence shall, at the option of CITY, become its property and shall be promptly delivered to it by CONSULTANT.

13. ASSIGNMENT AND DELEGATION

This Agreement is a personal service contract and the work hereunder shall not be assigned, delegated or subcontracted by CONSULTANT to any other person or entity without the prior express written consent of CITY. If an assignment, delegation or subcontract is approved, all approved assignees, delegates and subconsultants must satisfy the insurance requirements as set forth in Sections 9 and 10 hereinabove.

14. COPYRIGHTS/PATENTS

CITY shall own all rights to any patent or copyright on any work, item or material produced as a result of this Agreement.

15. CITY EMPLOYEES AND OFFICIALS

CONSULTANT shall employ no CITY official nor any regular CITY employee in the work performed pursuant to this Agreement. No officer or employee of CITY shall have any financial interest in this Agreement in violation of the applicable provisions of the California Government Code.

16. NOTICES

Any notices, certificates, or other communications hereunder shall be given either by personal delivery to CONSULTANT's agent (as designated in Section 1 hereinabove) or to CITY as the situation shall warrant, or by enclosing the same in a sealed envelope, postage prepaid, and depositing the same in the United States Postal Service, to the addresses specified below. CITY and CONSULTANT may designate different addresses to which subsequent notices, certificates or

other communications will be sent by notifying the other party via personal delivery, a reputable overnight carrier or U. S. certified mail-return receipt requested:

TO CITY:

City of Huntington Beach
ATTN: Human Resources Director
2000 Main Street
Huntington Beach, CA 92648

TO CONSULTANT:

Acclamation Insurance Management
Services
ATTN: Dominic Russo, President & CEO
10445 Old Placerville Road
Sacramento, CA 95827

17. CONSENT

When CITY's consent/approval is required under this Agreement, its consent/approval for one transaction or event shall not be deemed to be a consent/approval to any subsequent occurrence of the same or any other transaction or event.

18. MODIFICATION

No waiver or modification of any language in this Agreement shall be valid unless in writing and duly executed by both parties.

19. SECTION HEADINGS

The titles, captions, section, paragraph and subject headings, and descriptive phrases at the beginning of the various sections in this Agreement are merely descriptive and are included solely for convenience of reference only and are not representative of matters included or excluded from such provisions, and do not interpret, define, limit or describe, or construe the intent of the parties or affect the construction or interpretation of any provision of this Agreement.

20. INTERPRETATION OF THIS AGREEMENT

The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any of the parties. If any provision of this Agreement is held by an arbitrator or court of competent jurisdiction to be

unenforceable, void, illegal or invalid, such holding shall not invalidate or affect the remaining covenants and provisions of this Agreement. No covenant or provision shall be deemed dependent upon any other unless so expressly provided here. As used in this Agreement, the masculine or neuter gender and singular or plural number shall be deemed to include the other whenever the context so indicates or requires. Nothing contained herein shall be construed so as to require the commission of any act contrary to law, and wherever there is any conflict between any provision contained herein and any present or future statute, law, ordinance or regulation contrary to which the parties have no right to contract, then the latter shall prevail, and the provision of this Agreement which is hereby affected shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law.

21. DUPLICATE ORIGINAL

The original of this Agreement and one or more copies hereto have been prepared and signed in counterparts as duplicate originals, each of which so executed shall, irrespective of the date of its execution and delivery, be deemed an original. Each duplicate original shall be deemed an original instrument as against any party who has signed it.

22. IMMIGRATION

CONSULTANT shall be responsible for full compliance with the immigration and naturalization laws of the United States and shall, in particular, comply with the provisions of the United States Code regarding employment verification.

23. LEGAL SERVICES SUBCONTRACTING PROHIBITED

CONSULTANT and CITY agree that CITY is not liable for payment of any subcontractor work involving legal services, and that such legal services are expressly outside the scope of services contemplated hereunder. CONSULTANT understands that pursuant to *Huntington Beach City Charter* Section 309, the City Attorney is the exclusive legal counsel for

CITY; and CITY shall not be liable for payment of any legal services expenses incurred by CONSULTANT.

24. ATTORNEY'S FEES

In the event suit is brought by either party to construe, interpret and/or enforce the terms and/or provisions of this Agreement or to secure the performance hereof, each party shall bear its own attorney's fees, such that the prevailing party shall not be entitled to recover its attorney's fees from the nonprevailing party.

25. SURVIVAL

Terms and conditions of this Agreement, which by their sense and context survive the expiration or termination of this Agreement, shall so survive.

26. GOVERNING LAW

This Agreement shall be governed and construed in accordance with the laws of the State of California.

27. SIGNATORIES

Each undersigned represents and warrants that its signature hereinbelow has the power, authority and right to bind their respective parties to each of the terms of this Agreement, and shall indemnify CITY fully for any injuries or damages to CITY in the event that such authority or power is not, in fact, held by the signatory or is withdrawn.

28. ENTIRETY

The parties acknowledge and agree that they are entering into this Agreement freely and voluntarily following extensive arm's length negotiation, and that each has had the opportunity to consult with legal counsel prior to executing this Agreement. The parties also acknowledge and agree that no representations, inducements, promises, agreements or warranties, oral or otherwise, have been made by that party or anyone acting on that party's behalf, which are not embodied in this

Agreement, and that that party has not executed this Agreement in reliance on any representation, inducement, promise, agreement, warranty, fact or circumstance not expressly set forth in this Agreement. This Agreement, and the attached exhibits, contain the entire agreement between the parties respecting the subject matter of this Agreement, and supersede all prior understandings and agreements whether oral or in writing between the parties respecting the subject matter hereof.

29. EFFECTIVE DATE

This Agreement shall be effective on November 1, 2018 with approval by the City Council. This Agreement shall expire when terminated as provided herein.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their authorized officers.

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CONSULTANT,

Acclamation Insurance Management
Services, a California corporation

By: 
Dominic Russo

print name

ITS: President & CEO (circle one)
Chairman/President/Vice President

AND

By: _____
print name

ITS: (circle one) Secretary/Chief Financial Officer/Asst.
Secretary - Treasurer

COUNTERPART

CITY OF HUNTINGTON BEACH, a
municipal corporation of the State of
California


Mayor


City Clerk 12/27/18 

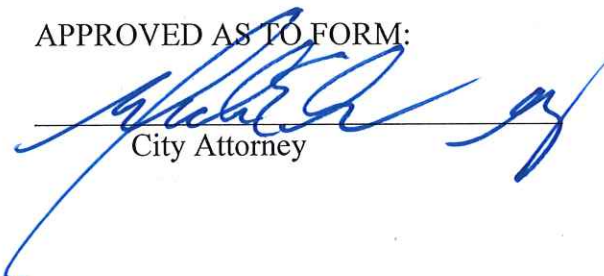
INITIATED AND APPROVED:


Human Resources Director

REVIEWED AND APPROVED:


City Manager

APPROVED AS TO FORM:


City Attorney

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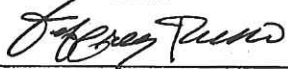
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municipal corporation of the State of
California

By: 
Dominic Russo

print name

ITS: President & CEO (circle one)
Chairman/President/Vice President

AND

By: 
JEFFREY RUSSO

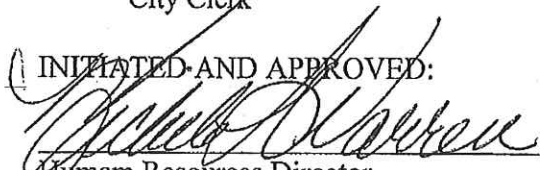
print name

ITS: (circle one) Secretary Chief Financial Officer/Asst.
Secretary - Treasurer

Mayor

City Clerk

INITIATED AND APPROVED:


Human Resources Director

REVIEWED AND APPROVED:

City Manager

COUNTERPART

APPROVED AS TO FORM:

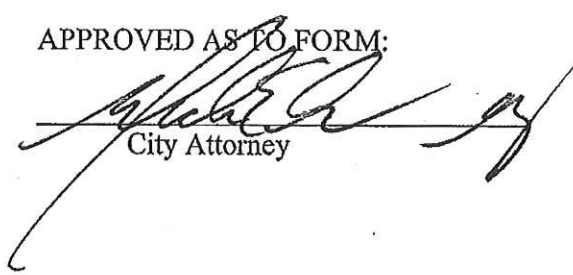

City Attorney

EXHIBIT "A"

A. STATEMENT OF WORK: (Narrative of work to be performed)

Administer the City's claims for Workers' Compensation benefits in accordance with the requirements of the Workers' Compensation laws of the State of California; provide the City with cost effective claims administration while delivering value added services with measurable results and better outcomes.

B. CONSULTANT'S DUTIES AND RESPONSIBILITIES:

CONSULTANT's duties and responsibilities shall follow provisions specified in the City of Huntington Beach Scope of Work shown in Exhibit A.1. Detailed services shall include but is not limited to the Scope of Work in Exhibit A.1.

C. CITY'S DUTIES AND RESPONSIBILITIES:

City shall collaborate with CONSULTANT to promote compliance with Scope of Work requirements; foster a high level of communication, trust, transparency, and commitment which is imperative to the success of the program.

D. WORK PROGRAM/PROJECT SCHEDULE:

Work program is required per the Scope of Services as requested by the CITY.

EXHIBIT A.1

ACCLAMATION INSURANCE MANAGEMENT SERVICES

SCOPE OF SERVICES

Program Administration

- The selected Consultant (TPA) firm will interface directly with the City's injured employees in close coordination with Risk Management.
- Inform the City of proposed changes in statutes, rules and regulations, and case law affecting the workers' compensation program.

Dedicated/Designated Assigned Personnel

- The Consultant/TPA shall provide a dedicated claims examiner to the City's account.
- The Consultant/TPA shall provide a designated claims unit supervisor that will regularly review the work product of the claims examiner(s).
- Claims examiner(s) must be certified with the State of California and be experienced dealing with public safety officers.
- Consultant/TPA shall provide sufficient team of claims examiner(s) that are dedicated to the City's account and maintain a caseload of approximately 150 claims.
- Consultant/TPA will continue to staff the City's account with a blend of current experienced personnel and new hires if needed.

Claims Management Services

- Administer Workers' Compensation benefits in accordance with the Labor Code.
- Make initial contact with the employee and establish a claims file within 24 hours of receipt of the Employer's First Report of Injury for the City. Claim files will be available for review by the City at any time during the TPA's regular business hours.
- The Consultant/TPA must resolve City issues immediately to the City's satisfaction. This may include reassignment of claims examiner(s) staff.
- The compensability determination (accept claim, deny claim, or delay acceptance pending the results of additional investigation) and the reasons for such determination
- Provide guidance and information regarding Workers' Compensation benefits to City employees.
- Respond to City staff inquiries within twenty four (24) hours and critical issues on the same day.
- Monitor treatment programs for injured employees to ensure that they receive proper care and to avoid over treatment situations.

- Establish claim reserves and provide a continual review and update of reserves to reflect changes during the life of the claim.
- All reserves initial or changes are to be documented by the completion of a Reserve Worksheet contained within the Claims Information Management System. The reserve rationale must be completed for each entry into the Claims Information Management System. The basis for establishing reserves shall be clearly documented in every reserve worksheet and case notes as applicable.
- Reserve worksheets are prepared to support any changes made in reserving amounts and can be provided to the City in support of a reserve increase or other change. This information is made available to the City through online viewing of the Claims Examiner's electronic file notepad. If the City desires, prior to any reserve change of a pre-agreed amount or level, the Claims Examiner will confer with appropriate City personnel to discuss the merits of the proposed change.
- Claims Examiner will review and evaluate the reserve adequacy and possible closure at 30 to 90 day intervals or as designated by the City.
- The Consultant/TPA should pursue actions of abuse of the Workers' Compensation system or suspected fraud.
- Investigate and recommend special, outside independent investigations for questionable claims with the consent, coordination and assistance of the City of Huntington Beach.
- City authorization shall first be obtained before initiating any field investigation. The authorization will be documented in the notepad section of the claims file.
- The claims examiner shall obtain the City's authorization on all claim settlements.
- All penalties incurred because of failure of the Consultant to comply with statutory laws and/or reimbursement should be brought to the City's attention, and shall be the sole responsibility of the third party administrator and reimbursement shall be made on a quarterly basis.
- The Consultant/TPA will be responsible to identify subrogation opportunities and in consultation with Risk Management, will be called upon to pursue subrogation.
- The Consultant/TPA will be required to conduct file/claims reviews at the discretion of the City of Huntington Beach.
- Assist with the ongoing development and maintenance of the Alternative Dispute Resolution (ADR) carve-out program.
- Consultant/claims examiner will seek approval from the City/Risk Management when assigning a specific nurse case manager to individual claim files.
- Claims examiner will seek approval from the City's Risk Management Department when assigning specific vendors to provide durable medical equipment for specific claim files.
- Claims examiner shall obtain the City/Risk Management authorization to assign legal counsel to specific claim files.
- Claims examiner will seek approval from the City/Risk Management when assigning sub rosa/surveillance and/or social media for specific claim files.

Claims Management Software

- The claim's management software should provide a claim description, financial data, and ad hoc reports on claims using criteria such as reserves, paid, indemnity, etc.
- The claims management system must be read-only accessible to City of Huntington Beach Risk Management with licensing allowing a minimum of three (3) individual computers to access claim information simultaneously.
- The selected firm will be required to provide training to Risk Management staff on report generation and the use of software.

Reporting

- Reports generated by the TPA should be furnished to the City in paper or electronic form as requested.
- Provide customized reports as needed upon reasonable request.
- Provide a monthly administrative report in Excel format, including information such as:
 - Number of claims, medical only, indemnity and reporting only
 - Number of closed claims
 - Number of active files assigned to each claims adjuster
 - Indemnity paid in 4850 benefits, TD, PD, Death and Rehabilitation Benefits
 - Expenses paid
 - Cases assigned to counsel, investigators and nurse advocate
 - Amounts recovered in apportionment or subrogation
 - Number of litigated cases
 - List of cases settled during the month, indicating the amount of the settlement and method/type of settlement
 - Legal report reflecting defense attorneys with monthly billing/expense and year-to-date current total spend.
 - Report reflecting detailed durable medical equipment spend.
- Provide the following annual report to Risk Management:
 - Assemble and submit workers' compensation claims data as required for State reports, including the self-insurance report to Industrial Relations. State reporting shall be only for the Claims Management Services and shall not include reporting for the Managed Care Program Consultants. Assemble and submit data needed for actuarial studies performed on the City's Workers' Compensation Program
 - OSHA 300 log of Work-Related Injuries and Illnesses; and OSHA 300A Summary of Work-Related Injuries and Illnesses
 - The annual carve out report for the ADR program as required by the State of California
 - Annual Stewardship Report with pertinent statistics for benchmarking and ADR program, measuring the City of Huntington Beach's workers' compensation program

Banking, Tax Reporting & Financial Needs

- City of Huntington Beach will establish and maintain a bank account from which TPA will issue checks for payment of services and benefits.
- The TPA will provide weekly to City of Huntington Beach's Risk Management and Finance Department a check register, indicating date, check number, payee, reason for payment and amount paid, in Excel/spreadsheet format.
- The City of Huntington Beach Finance Department will reconcile bank account statements against check registers provided by the TPA.
- Invoices for replenishment of the City's Trust Account shall be submitted to City weekly on Thursday. The invoices submitted will replenish the fund expenditures from the previous week.
- Monthly reconciliation invoices will be submitted at the end of any given month. These invoices will replenish any other funds in the account not covered under the weekly invoices.
- Provide any other written documentation to support any changes to the trust account balance.

Future Medical Claims

- Reviews shall be documented in the claims notes to include settlement information, outline future medical care, last date and type of treatment, name of excess carrier, excess carrier reporting history.
- The claim examiner shall regularly evaluate the claim to determine a reasonable amount for settlement of future medical payments and any remaining benefits due. The reason(s) and calculation(s) for the recommended settlement amount shall be clearly documented.

Coordination with Managed Care Program (MCP) Consultants

- Consultant/TPA shall be prepared to interface with all MCP/Ancillary service providers in a professional and efficient manner.

EXHIBIT "B"

Payment Schedule (Fixed Fee Payment)

(SEE EXHIBIT B.1 – FIXED FEE PAYMENT SCHEDULE)**

1. CONSULTANT shall be entitled to monthly progress payments toward the fixed fee set forth herein in accordance with the following progress and payment schedules.
2. Delivery of work product: A copy of every memorandum, letter, report, calculation and other documentation prepared by CONSULTANT shall be submitted to CITY to demonstrate progress toward completion of tasks. In the event CITY rejects or has comments on any such product, CITY shall identify specific requirements for satisfactory completion.
3. CONSULTANT shall submit to CITY an invoice for each monthly progress payment due. Such invoice shall:
 - A) Reference this Agreement;
 - B) Describe the services performed;
 - C) Show the total amount of the payment due;
 - D) Include a certification by a principal member of CONSULTANT's firm that the work has been performed in accordance with the provisions of this Agreement; and
 - E) For all payments include an estimate of the percentage of work completed.

Upon submission of any such invoice, if CITY is satisfied that CONSULTANT is making satisfactory progress toward completion of tasks in accordance with this Agreement, CITY shall approve the invoice, in which event payment shall be made within thirty (30) days of receipt of the invoice by CITY. Such approval shall not be unreasonably withheld. If CITY does not approve an invoice, CITY shall notify CONSULTANT in writing of the reasons for non-approval and the schedule of performance set forth in **Exhibit "A"** may at the option of CITY be suspended until the parties agree that past performance by CONSULTANT is in, or has been brought into compliance, or until this Agreement has expired or is terminated as provided herein.

4. Any billings for extra work or additional services authorized in advance and in writing by CITY shall be invoiced separately to CITY. Such invoice shall contain all of the information required above, and in addition shall list the hours expended and hourly rate charged for such time. Such invoices shall be approved by CITY if the work performed is in accordance with the extra work or additional services requested, and if CITY is satisfied that the statement of hours worked and costs incurred is accurate. Such approval shall not be unreasonably withheld. Any dispute between the parties concerning payment of such an invoice shall be treated as separate and apart from the ongoing performance of the remainder of this Agreement.

EXHIBIT B.1

ACCLAMATION INSURANCE MANAGEMENT SERVICES (AIMS)

FIXED FEE PAYMENT SCHEDULE

CONTRACT Y YEARS	FY 18-19	FY 19-20	FY 20-21
THIRD PARTY ADMINISTRATION			
<p>The pricing set-forth below are based on AIMS recommended staffing for the City's program to handling all the claims identified in the subject RFP and as noted above. The anticipated staffing will adhere to the requirements of this RFP and include experienced Claims Examiners that will manage an average of 150 or less open indemnity claims each. As appropriate, Future Medical files are counted on a 2:1 basis, per California State Association of Counties - Excess Insurance Authority (CSAC-EIA) guidelines, or two future medical files are considered to be equal to one lost time indemnity file.</p>			
Unbundled	\$ 446,691.00	\$ 446,691.00	\$ 446,691.00
<p>Please circle services included in bundled cost: UR, BR, PBM, NCM – None included</p> <p>AIMS proposes the use of Allied Managed Care, Inc. (AMC) to provide any necessary medical cost containment services. As distinguished from other service providers, AIMS and AMC price their services on a stand-alone basis. In other words, AIMS prices the claims administration services without regard to whether AMC's services as a managed care provider are being used and vice-versa. The fees are the same whether the services are bundled together or unbundled. <u>This provides for a transparency for our Clients to clearly understand what they are paying for.</u></p>			
<p>Rate per claim in excess of %</p> <p>The fees proposed cover claims administration for all new and existing claims set forth in this RFP and any Addendum thereto. This fee is premised on, and in reliance on, the claim volumes as set forth in the RFP or related information provided. Should AIMS be selected to continue the Claims Administration for the City and receive more claims than anticipated from the City at the start of the new contract or if there is a 5% increase/decrease during the initial transfer or during <u>any period</u> of the contract due to significant change in the number of employees, and/or as a result of a catastrophic event, then both AIMS and the City will negotiate, in good faith, a reasonable fee increase/decrease fee adjustment based on any revised required staffing.</p>			
Indemnity Claim	See above	See above	See above
Medical Only Claim	See above	See above	See above
List any Administrative fees, professional fees, etc.:	No Additional Fees	No Additional Fees	No Additional Fees

PROFESSIONAL SERVICES CONTRACT BETWEEN
THE CITY OF HUNTINGTON BEACH AND
ACCLAMATION INSURANCE MANAGEMENT SERVICES (AIMS)
FOR
WORKERS' COMPENSATION THIRD PARTY ADMINISTRATION

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29	Effective Date.....	11

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

7/10/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer any rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Edgewood Partners Ins. Center 425 California Street, 24th Floor Lic#0B29730 (415) 356-3900 San Francisco, CA 94104		CONTACT NAME: Laurie Martin PHONE (A/C, No, Ext): 415 356-3934 E-MAIL ADDRESS: certs@epicbrokers.com FAX (A/C, No):	
INSURED Acclamation Insurance Management 10445 Old Placerville Road Sacramento, CA 95827		INSURER(S) AFFORDING COVERAGE INSURER A: National Fire Ins of Hartford INSURER B: The Continental Insurance Company INSURER C: State Compensation Ins Fund INSURER D: Navigators Specialty Insurance Company INSURER E: Valley Forge Insurance Co INSURER F: Lloyds of London	
		NAIC # 20478 35289 35076 42307 20508	

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC OTHER:			6056760864	01/01/2018	01/01/2019	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$15,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 \$
E	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS ONLY			6056760850	01/01/2018	01/01/2019	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$			6056760878	01/01/2018	01/01/2019	EACH OCCURRENCE \$10,000,000 AGGREGATE \$10,000,000 \$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	908337918 CITY OF HUNTINGTON BEACH	01/01/2018	01/01/2019	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
D	Professional Liab			CE18MPL09067IC	07/11/2018	07/11/2019	\$5,000,000 Ann Agg-E&O
F	Privacy Liability			507097	07/11/2018	07/11/2019	\$3,000,000 ea claim/agg \$25,000 SIR E&O & Cyber

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

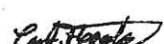
Claims administration services including Nurse Case Management and Bill Review.

Named insured includes: Acclamation Insurance Management Services, Inc.; Allied Managed Care, Inc.; LJR Holdings, Inc.; LJR Properties, LLC

(See Attached Descriptions)

CERTIFICATE HOLDER

CANCELLATION

City of Huntington Beach 2000 Main Street Huntington Beach, CA 92648-0000	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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DESCRIPTIONS (Continued from Page 1)

Thirty day notice of cancellation will be provided to the certificate holder but 10 days for non-payment of premium.

EMPLOYEE DISHONESTY / CRIME COVERAGE: Federal Insurance Company. #82344565 EFF: 1/1/18 EXP: 1/1/19
DISHONESTY LIMIT: \$2,000,000 \$35,000 DEDUCTIBLE

Third party claims administration services.