

SANTA CRUZ COUNTY FIRE AGENCIES INSURANCE GROUP – SCCFAIG

REQUEST FOR PROPOSAL

CONTRACT MANAGEMENT AND ADMINISTRATIVE SERVICES

The Santa Cruz County Fire Agencies Insurance Group (SCCFAIG) is seeking a professional service proposal for Contract Management and Administrative Services to the Joint Powers Authority (JPA). The individual or firm will serve as the JPA’s Chief Administrative Officer and Risk Manager. Services shall be provided on an ongoing basis and attendance at Board meetings will be required. The individual or firm is expected to be reasonably available during normal business hours for advice and counsel. The JPA is interested in procuring a one year service agreement with optional extensions for two additional years.

General Background

SCCFAIG was established in March of 1977 as a JPA of fire agencies to provide pooled self-insurance for workers’ compensation insurance and worker compensation risk management. Since July 1, 2002, SCCFAIG has chosen to participate in both the CSAC-Excess Insurance Authority (EIA) Primary and Excess Workers’ Compensation Insurance programs. Through our membership in these programs, and a buyoff of prior “tail” claims liabilities, ALL past and current workers’ compensation liability has become the obligation of the EIA. A third-party administrator, York Risk Services Group, provides claims administration for each of the agencies. The JPA is funded by its participating agencies.

Current Number of Member Agencies:	11
Current Number of Personnel	
Career Firefighters:	115
Volunteer Firefighters:	257
Clerical:	17
Mechanics:	2
Directors:	52
2015/2016 Adopted Budget:	\$1,031,000

Contract Requirements and Specifications

Estimated Time Frame and RFP Deadline

Our current Chief Administrative Officer/Risk Manager is set to retire on July 1, 2016.

It is anticipated that a contract will be awarded on March 16, 2016, with a transitional start date of April 1, 2016, and complete assumption of Management and Administrative Services on July 1, 2016.

A Special Board Meeting may be called in February 2016, to interview top candidates.

On January 19, 2016, the CAO/Risk Manager Hiring Process Development Committee will review RFP responses.

The deadline for receipt of RFP's will be 5 p.m. on January 15, 2016.

Additional Considerations

The firm or individual chosen will be selected as an independent contractor, and although the results and scope of work will be under the control of SCCFAIG, in no way is it to be construed that the firm or individual chosen is an agent or employee of SCCFAIG or its members while providing services. The selected contractor will be expected to enter into an Agreement For Consultant Services (attached) with SCCFAIG.

Indemnification Requirement

Contractor shall agree to indemnify and hold harmless SCCFAIG from claims arising out of the performance of the contract. Contractor shall maintain a comprehensive general and auto liability policy with a combined single limits of at least one million dollars. Contractor shall also provide appropriate workers' compensation coverage for employees and agents.

Proposal Submittals

Please provide the RFP as one single sided loose leaf copy.

Proposals shall be submitted to:

Santa Cruz County Fire Agencies Insurance Group
P.O. Box 3156
Auburn, CA 95604

Proposals shall be clearly marked:

Contract Management and Administrative Services Proposal

No email or facsimile submissions will be accepted.

Applicants may contact John Scott, SCCFAIG CAO/Risk Manager, at (530) 888-9070 or scfire.scott@gmail.com for additional information regarding the nature and scope of the services required and to obtain copies of such informational documents as SCCFAIG meeting agendas, minutes, operating budget and financial statements.

AGREEMENT FOR CONSULTANT SERVICES

This Agreement, made and entered into this **16th** day of March, 2016, by and between the Santa Cruz County Fire Agencies Insurance Group, hereinafter called the POOL, and _____ hereinafter called CONSULTANT.

This Agreement is made with regard to the following recitals:

A. The POOL requires administrative management, and

B. The CONSULTANT represents that it is qualified, willing and able to provide such services.

NOW, THEREFORE, in consideration of this Agreement, and mutual promises, covenants, and stipulations hereinafter contained, the parties agree as follows:

1. Scope of Services

The CONSULTANT shall perform the services as described in Exhibit "A" Titled Scope of Services.

2. Term of Agreement

This Agreement is effective commencing April 1, 2016 and will continue until June 30, 2017 unless terminated by Agreement of the parties or by unilateral action of either party based upon breach of a material term of this Agreement.

POOL may terminate this Agreement at any time if the POOL determines, in its sole discretion, that the CONSULTANT'S performance is unsatisfactory. However, prior to termination, POOL shall provide CONSULTANT with 90 days written notice and the opportunity to remedy any deficiency.

CONSULTANT may terminate this agreement at any time upon providing ninety (90) days written notice to POOL.

This Agreement shall terminate automatically on the date on which any of the following events occur:

1. bankruptcy or insolvency of the CONSULTANT
2. legal dissolution of the CONSULTANT
3. death of CONSULTANT

The POOL hereby gives CONSULTANT notice to proceed with the commencement of services in the manner described in Exhibit "A", as of the effective date of this Agreement. CONSULTANT shall diligently proceed with the described deliverables.

3. Compensation

For services rendered by CONSULTANT, the POOL will compensate CONSULTANT, per the terms, amounts, and conditions illustrated in Exhibit "B" Consultant Compensation Agreement.

In addition, CONSULTANT shall be compensated for administrative/operational expenses, with an annual total amount not to exceed an amount approved within that current year's budget, unless there is approval from the Board of Directors for additional compensation. Reimbursement to CONSULTANT for expenses shall be paid within thirty (30) days of receipt by POOL of such invoices.

4. Obligations of Consultant

Throughout the term of this Agreement, CONSULTANT shall possess, or secure all licenses, permits, qualifications and approvals legally required to conduct business. CONSULTANT warrants that it has all of the necessary professional capabilities and experience, as well as tools, facilities, technology, equipment and other resources necessary to provide the POOL with the services contemplated by this Agreement. CONSULTANT further warrants that it will follow best current, generally accepted and professional practices to make findings, render opinions, prepare factual presentations, and provide professional advice and recommendations regarding the services.

5. Performance by Key Employee

CONSULTANT has represented to the POOL that _____ shall be the person primarily responsible for the performance of the services referred to in this Agreement. The POOL has entered into this Agreement in reliance on that representation by CONSULTANT. CONSULTANT may, however, remove or replace any key personnel with a person of comparable experience and qualifications, upon the prior written approval of the POOL.

6. Confidentiality and Disclosure of Information

CONSULTANT shall not disclose or appropriate for its own use, or to the use of any third party, at any time during or subsequent to the term of this Agreement, any secret or confidential information of the POOL, whether or not developed by CONSULTANT expressly for this engagement. This includes, but is not limited to information pertaining to services, methods, processes, prices, profits, risk metrics, risk assessments, insurance terms or conditions, insurance premiums, contract terms or operating procedures, except as required in connection with CONSULTANT's performance of this Agreement, or as required by a government authority. Should any employees, officers and principals of CONSULTANT and its Third Party Vendor(s) disclose any confidential information; CONSULTANT will immediately notify the POOL of the nature and extent of any such disclosure.

All information obtained in the course of CONSULTANT's work is to be used only for conducting the POOL's business. Information in any form including, but not limited to, documents, tapes, lists, computer printouts, studies, reports, drafts, pictures, charts, risk assessments, claims, lawsuits, programs, equipment, vendor lists, all financial reports and statements, payroll information, records, files, and other materials pertinent to the POOL and its members..

Information/data related to Users will be provided only to those employees, officers and principals of CONSULTANT and its Third Party Vendor(s) who are directly involved in providing services under this Agreement, but only after each individual has been informed of the confidential nature of the information/data, instructed to treat the information/data in accordance with this Agreement and have agreed to be bound by the terms of this Agreement. Employees, officers and principals of CONSULTANT and its Third Party Vendor(s) who do not agree to be bound by the terms of this Agreement shall have no access to any such information or data. The information/data will be held in strictest confidence at all times and will not be divulged to any other party. If any court order, regulatory order, other legal process or legal obligation requires CONSULTANT or its Third Party Vendor(s) to disclose information covered by its confidentiality obligation, CONSULTANT and its Third Party Vendor(s) will provide the impacted POOL Member and the POOL with prompt telephonic and written notice of any such order or process (including providing a copy of the order or process), and cooperate with the affected POOL Member and POOL in responding to it.

7. Ownership of Documents

All reports, drawings, designs, graphics, working papers and other incidental work or materials furnished hereunder shall become and remains the property of the POOL, and may be used by the POOL as it may require without any additional cost to the POOL. No reports shall be used by the CONSULTANT for purposes other than this Agreement without the express written consent of the POOL.

8. News and Information Release

CONSULTANT agrees that it will not issue any news releases in connection with either the award of this Agreement, or any subsequent amendment of or efforts under this Agreement without first obtaining review and approval of said information from the POOL.

9. Interest of Consultant

CONSULTANT warrants that it presently has no interest and shall not acquire any interest, direct, or indirect, which would conflict in any manner or degree with the performance of services to be performed under this Agreement.

10. Amendments

Both parties to this Agreement understand that it may become desirable or necessary during the execution of this Agreement, for the POOL or CONSULTANT to modify the scope of services provided for under this Agreement. Any material extension or change in the scope of work shall be discussed with the POOL and the change and cost shall be memorialized in a written amendment to the original Agreement prior to the performance of the additional work.

Until a change order is so executed, the POOL will not be responsible to pay any charges CONSULTANT may incur in performing such additional services, and CONSULTANT shall not be required to perform any such additional services.

11. Independent Contractor

All acts of CONSULTANT, its agents, officers and employees and all others acting on behalf of CONSULTANT relating to the performance of this Agreement, shall be performed as independent contractors and not as agents, or employees of the POOL. CONSULTANT, by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of the POOL.

It is understood by both the CONSULTANT and the POOL that this Agreement shall not, under any circumstances be construed or considered to create an employer-employee relationship.

CONSULTANT, its agents, officers and employees are independent contractors and, at all times, during the terms of this Agreement, shall represent and conduct themselves as independent contractors and not as employees of the POOL.

CONSULTANT shall determine the method, details and means of performing the work and services to be provided by CONSULTANT under this Agreement. CONSULTANT shall not be subjected to the POOL's control with respect to the physical action or activities of the CONSULTANT in fulfillment of this Agreement. If in the performance of this Agreement, any third persons are employed by CONSULTANT, such persons shall be entirely and exclusively under the direction, supervision, and control of the CONSULTANT.

It is understood and agreed that as an independent contractor and not an employee of the POOL, neither the CONSULTANT nor CONSULTANT'S assigned personnel shall have any entitlement as a POOL employee.

It is further understood and agreed that CONSULTANT must issue W-2 forms or other forms as required by law for income and employment tax purposes for all CONSULTANTS personnel.

12. Assignment

Neither this Agreement nor any portion thereof shall be subcontracted or assigned without the express prior written consent of the POOL in each and every instance.

13. Notices

Any and all notices permitted or required to be given hereunder shall be deemed duly given and effective when delivered personally or by certified mail to the following:

If to POOL:

SANTA CRUZ COUNTY FIRE AGENCIES INSURANCE GROUP
c/o Fire Chief
Scotts Valley Fire Protection District
7 Erba Lane
Scotts Valley, CA 95066

If to CONSULTANT:

14. Insurance Requirements

The CONSULTANT shall provide at its own expense and maintain at all times the following insurance with insurance companies licensed in the State of California and shall provide evidence of such insurance to the POOL. The policies shall provide that, thirty (30) days prior to cancellation of the policy, notices of same shall be given to the POOL for all of the stated insurance policies.

a) Workers' Compensation - Should it be required, must be in compliance with the statutes of the State of California, plus employer's liability with a minimum liability of \$1,000,000.

b) General Liability - insurance with a minimum limit of liability per occurrence of \$1,000,000 BI/PD CSL. This insurance shall indicate on the certificate of insurance the following coverage's and indicate the policy aggregate limit applying to: premises and operations; and products, and completed operations.

c) Automobile Liability - insurance with a minimum limit of liability per occurrence of \$500,000 BI/PD CSL. This insurance shall cover any automobile used by CONSULTANT for bodily injury and property damage.

d) Employment Practices Liability (EPLI) - insurance covering employment practices liabilities (EPLI) for all of CONSULTANT's employees. This insurance shall cover any claims, liabilities, lawsuits, administrative proceedings or other legal actions, damages (including attorneys' fees) alleging violations of federal, California or local statutes, regulations, local ordinances or other requirements governing employment discrimination, harassment, wage and hour, safety compliance or other legal requirements that are in effect at the time of this Agreement or become effective during the term of this Agreement. Such coverage shall be a minimum of \$500,000 single limit and \$1,000,000.00 aggregate.

e) Errors and Omissions - Insurance for professional risk management services with a minimum limit of liability per occurrence of \$1,000,000 single limit and \$2,000,000.00 aggregate.

Upon failure of the CONSULTANT to furnish, deliver, or maintain such insurance and certificates as above provided, this Agreement, at the election of the POOL, may be forthwith declared suspended, or terminated. Failure of the CONSULTANT to obtain and or maintain any required insurance shall not relieve the CONSULTANT from any liability under: this Agreement, nor shall the insurance requirements be construed to conflict with or otherwise limit the obligations of the CONSULTANT

concerning indemnification. The CONSULTANT'S insurance policies shall be placed with acceptable Best's Rating of B+ VII. The CONSULTANT must deliver certificates evidencing existence of the insurance as required by the time this Agreement is signed.

15. Indemnity

CONSULTANT, its agents, officers and employees shall defend, indemnify and hold harmless the POOL, its agents, officers and volunteers from and against all claims, damages, losses, judgment, liabilities, expenses, and other costs including litigation costs and attorneys fees including but not limited to injury to person or property or wrongful death arising out of any flagrant act of the CONSULTANT in the course of CONSULTANTS performance under this Agreement. The POOL, its agents, officers and employees shall defend, indemnify and hold harmless the CONSULTANT, it's agents, officers and volunteers from and against all claims, damages, losses, judgment, liabilities, expenses, and other costs including litigation costs and attorneys fees for any error or act of omission of the CONSULTANT in the course of CONSULTANT'S performance under this Agreement.

16. Entire Agreement

This Agreement and its exhibits contain the entire understanding between CONSULTANT and the POOL.

17. Partial Invalidity

If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

18. Audit

The POOL's duly authorized representative shall have access at all reasonable times to all reports, contract records, documents, files and personnel necessary to audit and verify CONSULTANT'S charges to the POOL under this Agreement.

19. Governing Law

This Agreement shall be governed according to the laws of the State of California.

20. Headings Not Controlling

Headings used in this Agreement are for reference purposes only and shall not be considered in construing this Agreement.

21. Compliance with laws

CONSULTANT shall insure compliance with all employment laws, safety standards and wage and hour requirements for its employees, in accordance with federal, state and county safety and health

regulations and laws. CONSULTANT shall fully comply with all applicable federal, state and local laws, ordinances, regulations and permits during CONSULTANT'S performance under this Agreement.

22. Non-Competition Agreement

CONSULTANT agrees during the term of this Agreement, not to solicit, contact, or call upon any member of the POOL, for the purpose of discussing or submitting any written or oral proposal of any alternative to the workers compensation coverage or services provided by the POOL.

IN WITNESS WHEREOF, the parties have signed this AGREEMENT

this 16th day of March, 2016

_____, Consultant

_____, Board Chairperson, Santa Cruz County Fire Agencies Insurance Group

_____, Vice Chairperson, Santa Cruz County Fire Agencies Insurance Group

EXHIBIT "A"

SCOPE OF SERVICES

MANAGEMENT AND ADMINISTRATIVE SERVICES

The CONSULTANT will report directly to the Santa Cruz County Fire Agencies Insurance Group and provide management and administrative services including but not limited to the following:

- a. Be responsible for the preparation of meeting agendas and agenda materials for all board and committee meetings as determined by the Board, however, not to exceed 15 meetings per year.
- b. Prepare recommendations for each action appearing before the Board which pertains to Workers' Compensation Insurance, including the preparation of minutes, however not to exceed 15 meetings per year.
- c. Prepare the billing of individual member districts for their premiums and collect said premiums, banking all revenue collected and authorizing disbursements through the Santa Cruz County Auditor-Controller on behalf of the POOL in accordance with the Boards established procedures.
- d. Prepare the annual budget for Board Approval and oversee the POOL'S financial affairs.
- e. Organize and attend quarterly meetings with our third party claims administrator and the EIA to discuss the status of the POOL'S programs and operations, member losses (with specific detail on lost- time cases), administration and operational cost and service company performances.
- f. Maintain complete files and records for the POOL which pertains to Workers' Compensation insurance.
- g. Establish and maintain procedures for the conduct of the Pool's operations which pertain for Workers' Compensation Insurance.
- h. Maintain current schedules for POOL activities such as meetings, financial audits, studies, and other significant activities.
- i. Provide information pertaining to Workers' Compensation insurance to the member districts through materials or classes. Advise the Board of technical, training, and/or educational events and information available through the EIA or other entities.
- j. Provide performance reports, as needed, to the Board on the Third Party Claims Administrator.
- k. Assist members with Industrial Disability Retirements, ADA, OSHA compliance, and Early-Return-To-Work Programs.

- l. Evaluate and make recommendations regarding loss trends and loss reserves.
- m. Review the Risk Management Program of each member district and assist in member compliance with all POOL requirements.
- n. Create and maintain Worker's Compensation Procedures Manual.
- o. Provide Certified Public Accountant the information necessary to include the performance of the CSAC-EIA POOL within the SCCFAIG annual financial audit.
- p. Provide other administrative duties and responsibilities as the Board shall from time to time, delegate to the Contract Administrator.
- q. Provide support and clerical functions to the Board as needed.
- r. Provide an annual stewardship report to the Board.
- s. Any and all accounting procedures/responsibilities, which are required to be performed by a certified public accountant, as determined by the POOL or required by law, will be paid directly by POOL.
- t. The Administrator will set and lead meetings with district training officers, as requested by the Board, addressing safety topics, injury trends, and analysis of significant claims experience.
- u. Administrator will work with the Member Districts and Santa Cruz Occupational Medical Clinic to review and/or refine pre-employment and annual med./physical requirements and testing.
- v. Oversee, maintain, and keep in force all necessary contracts, as well as, provide audit and other required information to CSAC-EIA.
- w. File all necessary forms and financial information with the State and County as required.
- x. Work closely with the CSAC-EIA, their appointed Third Party Claims administrator, and legal counsel in an effort to control claims costs, as well as overall insurance costs.
- y. Will seek to be actively involved in EIA committees whose functions and actions directly or indirectly affect the POOL.
- z. CONSULTANT is encouraged to attend (and will be financially supported as approved through the annual budgeting process) classes, seminars, and conferences that will assist in his/her continuing education and knowledge base and deemed essential for the "good of the POOL".

CONSULTANT shall not provide legal advice to POOL.

**Santa Cruz County Fire Agencies Insurance Group
Consultant Compensation Agreement**

Exhibit "B"

4/1/2016-6/30/2016 \$ _____ **Transitional Period**

7/1/2016-6/30/2017 \$ _____

Additionally:

All costs associated with normal business and meeting obligations, such as travel and lodging costs, other than those illustrated in the SCCFAIG annual budget or specifically approved by the Board of Directors are considered to be a "cost of business" of an independent contractor and therefore are not reimbursable by SCCFAIG.

The Administrator is, as illustrated in the current contract, an "Independent Contractor" and therefore is not eligible for any benefits associated with employment. This includes, but is not limited to the following: Health Coverage, Retirement Benefits and Workers' Compensation coverage.

The Administrator meets and/or exceeds the state and federal criteria governing independent contractor status.