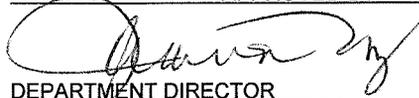


AGENDA ITEM NO. 2 E

COUNCIL MEETING: 2/7/13

APPROVED BY



DEPARTMENT DIRECTOR

CITY MANAGER   
*for*

**DATE:** February 7, 2013

**FROM:** JUANITA CHAVEZ, Interim Director  
Personnel Services Department

**BY:** ROY ANGEL, Risk/Safety Manager   
Risk Management Division

**SUBJECT:** APPROVE RENEWAL OF AGREEMENT FOR WORKERS' COMPENSATION SERVICE PROVIDER CONTRACT BETWEEN THE CITY OF FRESNO AND AMERICAN ALL RISK LOSS ADMINISTRATORS AND AUTHORIZE PERSONNEL SERVICES DIRECTOR TO EXECUTE AGREEMENT ON BEHALF OF THE CITY

## RECOMMENDATIONS

It is recommended that the City Council approve the Agreement between the City of Fresno and American All Risk Loss Administrators and authorize the Personnel Services Director to execute the Agreement on behalf of the City.

## EXECUTIVE SUMMARY

In the fall of 2012, staff distributed a Request for Proposal (RFP) to provide Workers' Compensation Third Party Administration services to twenty five (25) vendors who were known to provide this service. In response to this RFP, four (4) vendors submitted proposals: AIMS, Keenan & Associates, Intercare and American All Risk Loss Administrators (AARLA).

The proposals were reviewed by staff from the Personnel Services Department to determine each proposer's professional qualifications and competency of staff, level of experience in delivering third party administrative services, costs and fees.

It is staff's opinion that American All Risk Loss Administrators (AARLA) is the most qualified and competitive provider and recommends this organization be retained as the City's workers' compensation administrator for an additional three years based upon their previous performance and competitive pricing of services.

## BACKGROUND

The City of Fresno has been self-insured for its Workers' Compensation liability since August, 1973. In order to administer the program, deliver benefits and ensure compliance with State statutes, the City has utilized the services of an outside third party administrator (TPA). The City has contracted with American All Risk Loss Administrators since March 1, 2004. The current contract with AARLA will expire on March 1, 2013.

In the fall of 2012, a Request for Proposal for this service was distributed to twenty five vendors who were known to provide this service. Four vendors responded by the stated deadline of November 26, 2012, with complete proposals.

Workers Compensation Third Party Administrators

February 7, 2013

Page 2 of 2

Staff evaluated each proposal and concluded that AARLA is the most qualified proposer and recommends an extension of the existing contract with this organization for a period of an additional three years. AARLA has provided exceptional claims administration, bill review and case management services throughout their tenure as the City's claims administrator. AARLA has consistently demonstrated a commitment to superior customer service. During the past three years, AARLA has achieved a number of accomplishments including the reorganization and expansion of a Medical Provider Network to increase injured employee's access to needed medical care while controlling medical costs, achieved a claim closure rate of greater than 100% (i.e., the number of closed claims exceed the number of new claims received; e.g., claims received FY12 was 756, and claims closed in FY12 was 858), implemented a paperless document management system which has increased service efficiency, and has significantly reduced litigation cost. Additionally, by utilizing a medical bill review system, AARLA was successful in producing a 45% savings from provider billings in calendar year 2012. AARLA commits to maintaining and improving services for the City if selected to continue serving as the City's claims administrator.

Staff believes that there is value in remaining with the existing administrator which is locally owned and is familiar with the City's internal practices and procedures through experience gained by working with City staff and injured employees. Moreover, AARLA has formed a positive relationship with the various labor groups representing city employees while at the same time understanding the long-term needs of the city.

**FISCAL IMPACT**

AARLA was the most competitive of all proposers by submitting the lowest bid for this service compared with the three other proposers. AARLA's bid for providing claims administration services is a flat rate of \$828,000 per year for the next three years. In addition to the flat fee for administration services AARLA proposes to maintain charges for ancillary services at the same rates as currently in effect. Since ancillary services are charged either on a percentage of savings (bill review) or fee for service (utilization review/case management) the precise cost of these services in the future cannot be predicted, however, using the average cost of these services over the past two years, the estimated total annual cost of AARLA's bid is as follows:

Administration Services	\$ 828,000
Bill Review	\$ 432,000
UR/Case Management	<u>\$ 135,000</u>
	\$1,395,000

This estimated annual total cost is lower than the next most competitive bidder's proposed charge for administration services alone.

January 25, 2013

ATTACHMENTS: Agreement, American All Risk Loss Administrators (AARLA)

**AGREEMENT  
CITY OF FRESNO, CALIFORNIA  
CONSULTANT SERVICES**

THIS AGREEMENT is made and entered into effective the 1st day of March, 2013, by and between the CITY OF FRESNO, a California municipal corporation (hereinafter referred to as "CITY"), and American All Risk Loss Administrators, a California corporation (hereinafter referred to as "CONSULTANT").

**RECITALS**

WHEREAS, CITY desires to obtain professional claims administration services for administering City's Workers' Compensation claims, hereinafter referred to as the "Project;" and

WHEREAS, CONSULTANT is engaged in the business of furnishing services as a Workers' Compensation claims administrator and hereby represents that it desires to and is professionally and legally capable of performing the services called for by this Agreement; and

WHEREAS, CONSULTANT acknowledges that this Agreement is subject to the requirements of Fresno Municipal Code Section 4-107 and Administrative Order No. 6-19; and

WHEREAS, this Agreement will be administered for CITY by its Personnel Services Director (hereinafter referred to as "Administrator") or his/her designee.

**AGREEMENT**

NOW, THEREFORE, in consideration of the foregoing and of the covenants, conditions, and premises hereinafter contained to be kept and performed by the respective parties, it is mutually agreed as follows:

1. Scope of Services. CONSULTANT shall perform to the satisfaction of CITY the services described in **Exhibit A**, including all work incidental to, or necessary to perform, such services even though not specifically described in **Exhibit A**.

2. Term of Agreement and Time for Performance. This Agreement shall be effective from the date first set forth above ("Effective Date") and shall continue in full force and effect through February 29, 2016 with the option to extend the agreement year to year for up to four(4) additional years, subject to any earlier termination in accordance with this Agreement. The services of CONSULTANT as described in **Exhibit A** are to commence upon the Effective Date and shall be completed in a sequence assuring expeditious completion, but in any event, all such services shall be completed prior to expiration of this Agreement and in accordance with any performance schedule set forth in **Exhibit A**.

3. Compensation.

(a) CONSULTANT'S sole compensation for satisfactory performance of all Claims Administration services required or rendered pursuant to this Agreement shall be a total fee of \$828,000 annually (pro-rated and payable monthly as set forth below) and fees for specific ancillary services, will be paid on the basis of the rates set forth in the schedule of fees and expenses contained in **Exhibit A**.

(b) Detailed statements shall be rendered monthly for services performed in the preceding month and will be payable in the normal course of CITY business. CITY shall not be obligated to reimburse any expense for which it has not received a detailed invoice with

applicable copies of representative and identifiable receipts or records substantiating such expense.

(c) The parties may modify this Agreement to increase or decrease the scope of services or provide for the rendition of services not required by this Agreement, which modification shall include an adjustment to CONSULTANT'S compensation. Any change in the scope of services must be made by written amendment to the Agreement signed by an authorized representative for each party. CONSULTANT shall not be entitled to any additional compensation if services are performed prior to a signed written amendment.

#### 4. Termination, Remedies and Force Majeure.

(a) This Agreement shall terminate without any liability of CITY to CONSULTANT upon the earlier of: (i) CONSULTANT'S filing for protection under the federal bankruptcy laws, or any bankruptcy petition or petition for receiver commenced by a third party against CONSULTANT; (ii) 7 calendar days prior written notice with or without cause by CITY to CONSULTANT; (iii) CITY'S non-appropriation of funds sufficient to meet its obligations hereunder during any CITY fiscal year of this Agreement, or insufficient funding for the Project; or (iv) expiration of this Agreement.

(b) Immediately upon any termination or expiration of this Agreement, CONSULTANT shall (i) immediately stop all work hereunder; (ii) immediately cause any and all of its subcontractors to cease work; and (iii) return to CITY any and all unearned payments and all properties and materials in the possession of CONSULTANT that are owned by CITY. Subject to the terms of this Agreement, CONSULTANT shall be paid compensation for services satisfactorily performed prior to the effective date of termination. CONSULTANT shall not be paid for any work or services performed or costs incurred which reasonably could have been avoided.

(c) In the event of termination due to failure of CONSULTANT to satisfactorily perform in accordance with the terms of this Agreement, CITY may withhold an amount that would otherwise be payable as an offset to, but not in excess of, CITY'S damages caused by such failure. In no event shall any payment by CITY pursuant to this Agreement constitute a waiver by CITY of any breach of this Agreement which may then exist on the part of CONSULTANT, nor shall such payment impair or prejudice any remedy available to CITY with respect to the breach.

(d) Upon any breach of this Agreement by CONSULTANT, CITY may (i) exercise any right, remedy (in contract, law or equity), or privilege which may be available to it under applicable laws of the State of California or any other applicable law; (ii) proceed by appropriate court action to enforce the terms of the Agreement; and/or (iii) recover all direct, indirect, consequential, economic and incidental damages for the breach of the Agreement. If it is determined that CITY improperly terminated this Agreement for default, such termination shall be deemed a termination for convenience.

(e) CONSULTANT shall provide CITY with adequate written assurances of future performance, upon Administrator's request, in the event CONSULTANT fails to comply with any terms or conditions of this Agreement.

(f) CONSULTANT shall be liable for default unless nonperformance is caused by an occurrence beyond the reasonable control of CONSULTANT and without its fault

or negligence such as, acts of God or the public enemy, acts of CITY in its contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, unusually severe weather, and delays of common carriers. CONSULTANT shall notify Administrator in writing as soon as it is reasonably possible after the commencement of any excusable delay, setting forth the full particulars in connection therewith, and shall remedy such occurrence with all reasonable dispatch, and shall promptly give written notice to Administrator of the cessation of such occurrence.

5. Confidential Information and Ownership of Documents.

(a) Any reports, information, or other data prepared or assembled by CONSULTANT pursuant to this Agreement shall not be made available to any individual or organization by CONSULTANT without the prior written approval of the Administrator. During the term of this Agreement, and thereafter, CONSULTANT shall not, without the prior written consent of CITY, disclose to anyone any Confidential Information. The term Confidential Information for the purposes of this Agreement shall include all proprietary and confidential information of CITY, including but not limited to business plans, marketing plans, financial information, materials, compilations, documents, instruments, models, source or object codes and other information disclosed or submitted, orally, in writing, or by any other medium or media. All Confidential Information shall be and remain confidential and proprietary in CITY.

(b) Any and all writings and documents prepared or provided by CONSULTANT pursuant to this Agreement are the property of CITY at the time of preparation and shall be turned over to CITY upon expiration or termination of the Agreement. CONSULTANT shall not permit the reproduction or use thereof by any other person except as otherwise expressly provided herein.

(c) If CONSULTANT should subcontract all or any portion of the services to be performed under this Agreement, CONSULTANT shall cause each subcontractor to also comply with the requirements of this Section 5.

(d) This Section 5 shall survive expiration or termination of this Agreement.

6. Professional Skill. It is further mutually understood and agreed by and between the parties hereto that inasmuch as CONSULTANT represents to CITY that CONSULTANT and its subcontractors, if any, are skilled in the profession and shall perform in accordance with the standards of said profession necessary to perform the services agreed to be done by it under this Agreement, CITY relies upon the skill of CONSULTANT and any subcontractors to do and perform such services in a skillful manner and CONSULTANT agrees to thus perform the services and require the same of any subcontractors. Therefore, any acceptance of such services by CITY shall not operate as a release of CONSULTANT or any subcontractors from said professional standards.

7. Indemnification. To the furthest extent allowed by law, CONSULTANT shall indemnify, hold harmless and defend CITY and each of its officers, officials, employees, agents and volunteers from any and all loss, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death at any time and property damage), and from any and all claims, demands and actions in law or equity (including reasonable attorney's fees and litigation expenses) that arise out of, pertain to, or relate to the negligence, recklessness or willful misconduct of CONSULTANT, its principals, officers, employees, agents or volunteers in the performance of this Agreement.

If CONSULTANT should subcontract all or any portion of the services to be performed under this Agreement, CONSULTANT shall require each subcontractor to indemnify, hold harmless and defend CITY and each of its officers, officials, employees, agents and volunteers in accordance with the terms of the preceding paragraph.

This section shall survive termination or expiration of this Agreement.

8. Insurance.

(a) Throughout the life of this Agreement, CONSULTANT shall pay for and maintain in full force and effect all insurance as required in **Exhibit B** or as may be authorized in writing by CITY'S Risk Manager or his/her designee at any time and in his/her sole discretion.

(b) If at any time during the life of the Agreement or any extension, CONSULTANT or any of its subcontractors fail to maintain any required insurance in full force and effect, all services and work under this Agreement shall be discontinued immediately, and all payments due or that become due to CONSULTANT shall be withheld until notice is received by CITY that the required insurance has been restored to full force and effect and that the premiums therefore have been paid for a period satisfactory to CITY. Any failure to maintain the required insurance shall be sufficient cause for CITY to terminate this Agreement. No action taken by CITY pursuant to this section shall in any way relieve CONSULTANT of its responsibilities under this Agreement. The phrase "fail to maintain any required insurance" shall include, without limitation, notification received by CITY that an insurer has commenced proceedings, or has had proceedings commenced against it, indicating that the insurer is insolvent.

(c) The fact that insurance is obtained by CONSULTANT shall not be deemed to release or diminish the liability of CONSULTANT, including, without limitation, liability under the indemnity provisions of this Agreement. The duty to indemnify CITY shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by CONSULTANT. Approval or purchase of any insurance contracts or policies shall in no way relieve from liability nor limit the liability of CONSULTANT, its principals, officers, agents, employees, persons under the supervision of CONSULTANT, vendors, suppliers, invitees, consultants, sub-consultants, subcontractors, or anyone employed directly or indirectly by any of them.

(d) Upon request of CITY, CONSULTANT shall immediately furnish CITY with a complete copy of any insurance policy required under this Agreement, including all endorsements, with said copy certified by the underwriter to be a true and correct copy of the original policy. This requirement shall survive expiration or termination of this Agreement.

(e) If CONSULTANT should subcontract all or any portion of the services to be performed under this Agreement, CONSULTANT shall require each subcontractor to provide insurance protection in favor of CITY and each of its officers, officials, employees, agents and volunteers in accordance with the terms of this section, except that any required certificates and applicable endorsements shall be on file with CONSULTANT and CITY prior to the commencement of any services by the subcontractor.

9. Conflict of Interest and Non-Solicitation.

(a) Prior to CITY'S execution of this Agreement, CONSULTANT shall complete a City of Fresno conflict of interest disclosure statement in the form as set forth in

**Exhibit C.** During the term of this Agreement, CONSULTANT shall have the obligation and duty to immediately notify CITY in writing of any change to the information provided by CONSULTANT in such statement.

(b) CONSULTANT shall comply, and require its subcontractors to comply, with all applicable (i) professional canons and requirements governing avoidance of impermissible client conflicts; and (ii) federal, state and local conflict of interest laws and regulations including, without limitation, California Government Code Section 1090 et. seq., the California Political Reform Act (California Government Code Section 87100 et. seq.) and the regulations of the Fair Political Practices Commission concerning disclosure and disqualification (2 California Code of Regulations Section 18700 et. seq.). At any time, upon written request of CITY, CONSULTANT shall provide a written opinion of its legal counsel and that of any subcontractor that, after a due diligent inquiry, CONSULTANT and the respective subcontractor(s) are in full compliance with all laws and regulations. CONSULTANT shall take, and require its subcontractors to take, reasonable steps to avoid any appearance of a conflict of interest. Upon discovery of any facts giving rise to the appearance of a conflict of interest, CONSULTANT shall immediately notify CITY of these facts in writing.

(c) In performing the work or services to be provided hereunder, CONSULTANT shall not employ or retain the services of any person while such person either is employed by CITY or is a member of any CITY council, commission, board, committee, or similar CITY body. This requirement may be waived in writing by the City Manager, if no actual or potential conflict is involved.

(d) CONSULTANT represents and warrants that it has not paid or agreed to pay any compensation, contingent or otherwise, direct or indirect, to solicit or procure this Agreement or any rights/benefits hereunder.

(e) Neither CONSULTANT, nor any of CONSULTANT'S subcontractors performing any services on this Project, shall bid for, assist anyone in the preparation of a bid for, or perform any services pursuant to, any other contract in connection with this Project unless fully disclosed to and approved by the City Manager, in advance and in writing. CONSULTANT and any of its subcontractors shall have no interest, direct or indirect, in any other contract with a third party in connection with this Project unless such interest is in accordance with all applicable law and fully disclosed to and approved by the City Manager, in advance and in writing. Notwithstanding any approval given by the City Manager under this provision, CONSULTANT shall remain responsible for complying with Section 9(b), above.

(f) If CONSULTANT should subcontract all or any portion of the work to be performed or services to be provided under this Agreement, CONSULTANT shall include the provisions of this Section 9 in each subcontract and require its subcontractors to comply therewith.

(g) This Section 9 shall survive expiration or termination of this Agreement.

10. Recycling Program. In the event CONSULTANT maintains an office or operates a facility(ies), or is required herein to maintain or operate same, within the incorporated limits of the City of Fresno, CONSULTANT at its sole cost and expense shall:

(i) Immediately establish and maintain a viable and ongoing recycling program, approved by CITY'S Solid Waste Management Division, for each office and

facility. Literature describing CITY recycling programs is available from CITY'S Solid Waste Management Division and by calling City of Fresno Recycling Hotline at (559) 621-1111.

- (ii) Immediately contact CITY'S Solid Waste Management Division at (559) 621-1452 and schedule a free waste audit, and cooperate with such Division in their conduct of the audit for each office and facility.
- (iii) Cooperate with and demonstrate to the satisfaction of CITY'S Solid Waste Management Division the establishment of the recycling program in paragraph (i) above and the ongoing maintenance thereof.

11. General Terms.

(a) Except as otherwise provided by law, all notices expressly required of CITY within the body of this Agreement, and not otherwise specifically provided for, shall be effective only if signed by the Administrator or his/her designee.

(b) Records of CONSULTANT'S expenses pertaining to the Project shall be kept on a generally recognized accounting basis and shall be available to CITY or its authorized representatives upon request during regular business hours throughout the life of this Agreement and for a period of three years after final payment or, if longer, for any period required by law. In addition, all books, documents, papers, and records of CONSULTANT pertaining to the Project shall be available for the purpose of making audits, examinations, excerpts, and transcriptions for the same period of time. If any litigation, claim, negotiations, audit or other action is commenced before the expiration of said time period, all records shall be retained and made available to CITY until such action is resolved, or until the end of said time period whichever shall later occur. If CONSULTANT should subcontract all or any portion of the services to be performed under this Agreement, CONSULTANT shall cause each subcontractor to also comply with the requirements of this paragraph. This Section 11(b) shall survive expiration or termination of this Agreement.

(c) Prior to execution of this Agreement by CITY, CONSULTANT shall have provided evidence to CITY that CONSULTANT is licensed to perform the services called for by this Agreement (or that no license is required). If CONSULTANT should subcontract all or any portion of the work or services to be performed under this Agreement, CONSULTANT shall require each subcontractor to provide evidence to CITY that subcontractor is licensed to perform the services called for by this Agreement (or that no license is required) before beginning work.

12. Nondiscrimination. To the extent required by controlling federal, state and local law, CONSULTANT shall not employ discriminatory practices in the provision of services, employment of personnel, or in any other respect on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, ethnicity, status as a disabled veteran or veteran of the Vietnam era. Subject to the foregoing and during the performance of this Agreement, CONSULTANT agrees as follows:

(a) CONSULTANT will comply with all applicable laws and regulations providing that no person shall, on the grounds of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual

orientation, ethnicity, status as a disabled veteran or veteran of the Vietnam era be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity made possible by or resulting from this Agreement.

(b) CONSULTANT will not discriminate against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, ethnicity, status as a disabled veteran or veteran of the Vietnam era. CONSULTANT shall ensure that applicants are employed, and the employees are treated during employment, without regard to their race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, ethnicity, status as a disabled veteran or veteran of the Vietnam era. Such requirement shall apply to CONSULTANT'S employment practices including, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. CONSULTANT agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provision of this nondiscrimination clause.

(c) CONSULTANT will, in all solicitations or advertisements for employees placed by or on behalf of CONSULTANT in pursuit hereof, state that all qualified applicants will receive consideration for employment without regard to race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, ethnicity, status as a disabled veteran or veteran of the Vietnam era.

(d) CONSULTANT will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice advising such labor union or workers' representatives of CONSULTANT'S commitment under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(e) If CONSULTANT should subcontract all or any portion of the services to be performed under this Agreement, CONSULTANT shall cause each subcontractor to also comply with the requirements of this Section 12.

### 13. Independent Contractor.

(a) In the furnishing of the services provided for herein, CONSULTANT is acting solely as an independent contractor. Neither CONSULTANT, nor any of its officers, agents or employees shall be deemed an officer, agent, employee, joint venturer, partner or associate of CITY for any purpose. CITY shall have no right to control or supervise or direct the manner or method by which CONSULTANT shall perform its work and functions. However, CITY shall retain the right to administer this Agreement so as to verify that CONSULTANT is performing its obligations in accordance with the terms and conditions thereof.

(b) This Agreement does not evidence a partnership or joint venture between CONSULTANT and CITY. CONSULTANT shall have no authority to bind CITY absent CITY'S express written consent. Except to the extent otherwise provided in this Agreement, CONSULTANT shall bear its own costs and expenses in pursuit thereof.

(c) Because of its status as an independent contractor, CONSULTANT and its officers, agents and employees shall have absolutely no right to employment rights and

benefits available to CITY employees. CONSULTANT shall be solely liable and responsible for all payroll and tax withholding and for providing to, or on behalf of, its employees all employee benefits including, without limitation, health, welfare and retirement benefits. In addition, together with its other obligations under this Agreement, CONSULTANT shall be solely responsible, indemnify, defend and save CITY harmless from all matters relating to employment and tax withholding for and payment of CONSULTANT'S employees, including, without limitation, (i) compliance with Social Security and unemployment insurance withholding, payment of workers' compensation benefits, and all other laws and regulations governing matters of employee withholding, taxes and payment; and (ii) any claim of right or interest in CITY employment benefits, entitlements, programs and/or funds offered employees of CITY whether arising by reason of any common law, de facto, leased, or co-employee rights or other theory. It is acknowledged that during the term of this Agreement, CONSULTANT may be providing services to others unrelated to CITY or to this Agreement.

14. Notices. Any notice required or intended to be given to either party under the terms of this Agreement shall be in writing and shall be deemed to be duly given if delivered personally, transmitted by facsimile followed by telephone confirmation of receipt, or sent by United States registered or certified mail, with postage prepaid, return receipt requested, addressed to the party to which notice is to be given at the party's address set forth on the signature page of this Agreement or at such other address as the parties may from time to time designate by written notice. Notices served by United States mail in the manner above described shall be deemed sufficiently served or given at the time of the mailing thereof.

15. Binding. Subject to Section 16, below, once this Agreement is signed by all parties, it shall be binding upon, and shall inure to the benefit of, all parties, and each parties' respective heirs, successors, assigns, transferees, agents, servants, employees and representatives.

16. Assignment.

(a) This Agreement is personal to CONSULTANT and there shall be no assignment by CONSULTANT of its rights or obligations under this Agreement without the prior written approval of the City Manager or his/her designee. Any attempted assignment by CONSULTANT, its successors or assigns, shall be null and void unless approved in writing by the City Manager or his/her designee.

(b) CONSULTANT hereby agrees not to assign the payment of any monies due CONSULTANT from CITY under the terms of this Agreement to any other individual(s), corporation(s) or entity(ies). CITY retains the right to pay any and all monies due CONSULTANT directly to CONSULTANT.

17. Compliance With Law. In providing the services required under this Agreement, CONSULTANT shall at all times comply with all applicable laws of the United States, the State of California and CITY, and with all applicable regulations promulgated by federal, state, regional, or local administrative and regulatory agencies, now in force and as they may be enacted, issued, or amended during the term of this Agreement.

18. Waiver. The waiver by either party of a breach by the other of any provision of this Agreement shall not constitute a continuing waiver or a waiver of any subsequent breach of either the same or a different provision of this Agreement. No provisions of this Agreement may

be waived unless in writing and signed by all parties to this Agreement. Waiver of any one provision herein shall not be deemed to be a waiver of any other provision herein.

19. Governing Law and Venue. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction. Venue for purposes of the filing of any action regarding the enforcement or interpretation of this Agreement and any rights and duties hereunder shall be Fresno County, California.

20. Headings. The section headings in this Agreement are for convenience and reference only and shall not be construed or held in any way to explain, modify or add to the interpretation or meaning of the provisions of this Agreement.

21. Severability. The provisions of this Agreement are severable. The invalidity, or unenforceability of any one provision in this Agreement shall not affect the other provisions.

22. Interpretation. The parties acknowledge that this Agreement in its final form is the result of the combined efforts of the parties and that, should any provision of this Agreement be found to be ambiguous in any way, such ambiguity shall not be resolved by construing this Agreement in favor of or against either party, but rather by construing the terms in accordance with their generally accepted meaning.

23. Attorney's Fees. If either party is required to commence any proceeding or legal action to enforce or interpret any term, covenant or condition of this Agreement, the prevailing party in such proceeding or action shall be entitled to recover from the other party its reasonable attorney's fees and legal expenses.

24. Exhibits. Each exhibit and attachment referenced in this Agreement is, by the reference, incorporated into and made a part of this Agreement.

25. Precedence of Documents. In the event of any conflict between the body of this Agreement and any Exhibit or Attachment hereto, the terms and conditions of the body of this Agreement shall control and take precedence over the terms and conditions expressed within the Exhibit or Attachment. Furthermore, any terms or conditions contained within any Exhibit or Attachment hereto which purport to modify the allocation of risk between the parties, provided for within the body of this Agreement, shall be null and void.

26. Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

27. No Third Party Beneficiaries. The rights, interests, duties and obligations defined within this Agreement are intended for the specific parties hereto as identified in the preamble of this Agreement. Notwithstanding anything stated to the contrary in this Agreement, it is not intended that any rights or interests in this Agreement benefit or flow to the interest of any third parties.

28. Extent of Agreement. Each party acknowledges that they have read and fully understand the contents of this Agreement. This Agreement represents the entire and integrated agreement between the parties with respect to the subject matter hereof and supersedes all prior negotiations, representations or agreements, either written or oral. This

Agreement may be modified only by written instrument duly authorized and executed by both CITY and CONSULTANT.

IN WITNESS WHEREOF, the parties have executed this Agreement at Fresno, California, the day and year first above written.

CITY OF FRESNO,  
a California municipal corporation

By: \_\_\_\_\_  
Juanita Chavez  
Personnel Service Director

ATTEST:  
YVONNE SPENCE, CMC  
City Clerk

By: \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:  
City Attorney's Office

By: [Signature] 1/30/13  
Robert C. Abrams Date  
Deputy City Attorney

American All Risk Loss Administrators,  
a California corporation

By: [Signature]  
Name: STEVEN C. WIGHT

Title: PRESIDENT  
(if corporation or LLC, Board  
Chair, Pres. or Vice Pres.)

By: [Signature]  
Name: Eunice de Haai

Title: Secretary  
(if corporation or LLC, CFO,  
Treasurer, Secretary or Assistant  
Secretary)

Any Applicable Professional License:  
Number: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date of Issuance: \_\_\_\_\_

Addresses:

CITY:  
City of Fresno  
Attention: Clark Connelly  
Senior Human Resources Risk Analyst  
2600 Fresno Street  
Fresno, CA 93721  
Phone: (559) 621-6900  
FAX: (559) 264-4215

CONSULTANT:  
American All Risk Loss Administrators  
Attention: Steve Wigh  
President  
4274 W. Richert Avenue  
Fresno, CA 93722  
Phone: (559) 277-4960  
FAX: (559) 277-4961

Attachments:

- 1. Exhibit A - Scope of Services
- 2. Exhibit B - Insurance Requirements
- 3. Exhibit C - Conflict of Interest Disclosure Form

## Exhibit A

### SCOPE OF SERVICES

#### Consultant Service Agreement between City of Fresno ("City") and American All Risk Loss Administrators ("Consultant")

##### Workers' Compensation Claims Administration

PROJECT TITLE

#### PROGRAM ADMINISTRATION

Consultant agrees to:

1. Provide a local service office in the Fresno Metropolitan area. Provide staff as required to administer the workers' compensation program in full compliance with all the terms and conditions of the Request for Proposal, express or implied. All staff assigned to provide direct service to the City of Fresno shall be subject to the approval of City staff.
2. A dedicated claims unit shall be provided to the City of Fresno. The unit shall be composed of State Certified claims adjusters whose case load shall not exceed 175 open indemnity files per adjuster. The unit shall have a supervisor who has no assigned claim load. A state-certified claims adjuster is one who has successfully completed the certification requirements outlined by the State of California Self Insurance Plans. Each adjuster must have at least five (5) years of workers' compensation claims experience with public entities. A dedicated support staff to service City claims is required.
3. Review with City's representative's program progress, including identification of problem areas and recommend solutions thereto and provide consultative services as necessary.
4. Provide the City complete access to its claims data pertaining in any way to the Workers' Compensation Claims Management Program referred to herein. Any system providing such information shall be secure and shall contain the applications necessary to prohibit access by unauthorized individuals.
5. Provide information and guidance to City regarding workers' compensation claims and inquiries on specific claims.
6. Assist in the development of policies and procedures to ensure that the Workers' Compensation Claims Management Program is operated in a manner that meets the objectives of the City.
7. Design and print Employer's reports, Doctor's First Reports, treatment and authorization slips, posting notices and warrants, as well as any other forms required by the City or State of California.
8. Establish a banking arrangement and coordinate payment through City's Personnel Department with proper audit trail.
9. Establish all data base coding requirements in conjunction with City staff.
10. Provide staff orientation and training of City personnel as required.

11. Maintain needed records and information and complete the Self Insurers Annual Report in accordance with all State of California requirements. Provide the completed TPA portion of the annual report to the City for approval no less than 30 days before the date on which the annual report is due at the State.
12. Maintain the adjusters' caseloads at no more than 175 open indemnity claims.
13. Review each open claim as necessary but at least every 6 months. Medical only claims shall be closed within 3 months unless good cause is evidenced.
14. Seek settlement authority on all claims from City staff.
15. Notify all vendors of change of claims administrator.
16. Consultant to prepare and provide any and all required Federal and State financial and tax reports, including but not limited to IRS Form 1099 to vendors and service Providers.
17. Assemble and submit claims data to the City as required for the completion of the Department of Industrial Relations, Self-Insurance Plans Annual Report and for actuarial studies performed the City's Workers' Compensation Program.
18. Consultant will have a contractual duty and accountability to report required claims data to the Centers for Medicare and Medicaid Services (CMS) in accordance with the MMSEA Act of 2007.
19. Consultant shall comply with any and all federal, state, or local laws, now in effect or hereafter promulgated, which apply to the services herein specified.

#### CLAIMS ADMINISTRATION

Consultant agrees to:

1. Review and adjust all workers' compensation claims in accordance with all applicable laws as well as the terms of the contract.
2. Determine liability for claims brought against City as a result of the workers' compensation laws of the State of California.
3. Continue to administer and adjust all existing open files.
4. Obtain expert medical opinion when necessary and as authorized by City to evaluate the nature, extent, and causation of injuries.
5. Refer cases requiring legal work only to attorneys previously approved by City.
6. Assist the attorneys in the preparation of all litigation and negotiations of settlements including, but not limited to, actions against third parties. Cases must be referred to legal counsel at least two weeks in advance of all discovery cut-off dates.

7. Investigate, or with approval of City's representative, arrange for investigation of cases where City's liability is questionable and assist in the settlement or trial of litigated cases.
8. Report all claims that might reach the excess layer of insurance coverage to the appropriate insurance carrier in accordance with their respective requirements. Proposer also agrees to maintain records, and effect collection from the excess insurance carrier on behalf of City.
9. Attend meetings at the request of City.
10. Consultant will pay all fines and penalties incurred due to errors or omissions on the part of Consultant from Consultant's own funds and will not in any way charge these expenses to the City. Consultant will provide a quarterly report to City of all penalties paid and the party (City or Consultant) liable for payment.
11. Consultant must also indicate that they have the capability to utilize electronic mail (e-mail) between their offices and City.
12. Coordinate return-to-work and medical rehabilitation programs with City's staff.
13. Participate fully in on-site file reviews and audits and respond promptly to written inquires.
14. Monitor the condition of injured workers by review of medical reports and special examinations. Provide City, at no cost, copies of all narrative reports including but not limited to medical, physical therapy, vocational rehabilitation, Appeals Board, and any other reports requested by City as permitted by law.
15. Provide copies in each claim file of all checks, vouchers, or warrants drawn to pay benefits and claims expenses on behalf of City.
16. Medical case management shall be provided by each adjuster except in instances where outside case management services are justified and approved by City staff.

#### ADJUSTMENT SERVICES

Consultant agrees to:

1. Maintain a claim file on each potential or actual claim reported to Consultant.
2. Establish and maintain case reserves for workers' compensation claims which accurately reflect the ultimate probable cost of the claim.
3. Act as a liaison between the excess insurance carriers(s) and City on matters affecting the adjustment of claims.
4. Provide a copy of your claims administration manual for review by City staff upon request.
5. Maintain records on all claims and notify City when the City is entitled to reimbursement for loss in excess of their retention.

6. Provide claims review of open claim files at the request of City.
7. Negotiate appropriate agreements on all claims to effect settlements in a timely manner.
8. Upon the request of City, provide quarterly review of claims with reserves in excess of \$30,000 or complex claims.
9. Provide injured workers with benefits as required by the California Labor Code.
10. Pay all approved medical expenses in accordance with the official fee schedule or a negotiated medical provider fee schedule, which recognizes a discount for medical services.
11. Pay all approved medical legal expenses in accordance with fees established by the California Division of Workers' Compensation.
12. Adjusters will be expected to make court appearances before the Workers' Compensation Appeals Board as may be required to represent City's interest.
13. Standards of Performance:
  - a) Case Load - Consultant shall assign a sufficient number of adjusters to ensure that each adjuster's caseload shall not exceed 175 open indemnity cases. Consultant shall report monthly to the City each adjuster's assigned caseload.
  - b) Case Make-Up - New claims case files will be created within one (1) working day of receipt of the first notice of claim. Each claim file will have the date of creation clearly identifiable in a uniform location. A level of accomplishment of 95% is required within one day, 100% within two working days.
  - c) Compensability - The compensability determination (accept, deny, or delay- pending the results of additional investigation) and the reasons for such a determination will be made and documented in the file within three (3) working days of the notification of loss, if practical. All benefit notices shall be mailed in compliance with California Labor Code and all applicable State regulations. A compensability decision will be made within ninety (90) days from receipt of the Employee Claim Form.
  - d) All benefits that are due and payable shall be made in accordance with all applicable State regulations. A level of accomplishment of 100% shall be considered acceptable.
  - e) Three Point Contact - In cases involving anticipated loss of time from work beyond the date of loss, contact will be established with attending physician, the injured worker, and the employer within three (3) days of case make-up as needed to ensure effective medical case management. Such contacts will continue as needed during the course of claim development to assure that treatment is reasonable and necessary.
  - f) Litigated Cases - Subject to the concurrence of the City Attorney, Consultant shall establish written in-house guidelines for referral of (essential) litigated cases to defense counsel. Such guidelines shall require, at a minimum: (1) prompt recognition of issues; (2) timely referral to defense counsel; (3) control of litigation expenses; (4) file documentation of a litigation plan. Medical control of litigated claims will remain with Consultant. Consultant will make all reasonable efforts to settle litigated claims without assigning to outside counsel. All settlements

must be first approved and authorized in writing by City staff. After referral, Consultant will continue to assist in the preparation of litigated cases, negotiations of settlements, and subrogation actions.

g) Consultant shall determine if applicant is eligible for supplemental job displacement benefits and shall administer such benefits in accordance with all applicable statutes and regulations.

h) Excess Insurance - Potential excess cases shall be reported to the appropriate excess carrier in accordance with the carrier's reporting criteria.

i) Penalties - Consultant shall advise City in writing of the assessment of any penalty for delayed payment and the reason thereof and Consultant's plan for payment of such penalty within five (5) days of assessment. An accomplishment level of 100% shall be required. Consultant will be liable for all penalties except those that are the result of City's sole negligence.

j) Reserves - At the time of case make-up, claims shall be reserved at the most probable, ultimate loss cost. "Stair stepping" of reserves shall not be permitted.

k) Case Closure - All Medical-only cases will be closed or transferred to an indemnity status by the ninetieth day following case make-up. All indemnity cases will be closed within sixty (60) days of the final fiscal transaction with the exception of future medical awards. A level of accomplishment of 95% is acceptable.

l) Telephone Inquiries - All telephone inquiries requiring return calls will be answered within twenty-four (24) hours of the original inquiry. A level of accomplishment of 95% is acceptable.

m) Incoming Correspondence - All correspondence received will have the date of receipt clearly stamped on the front side. A level of accomplishment of 100% is required.

n) Return Correspondence - All correspondence requiring a written answer will have such answer completed and transmitted within five (5) days of receipt. A level of accomplishment of 95% is acceptable.

o) Settlements - Consultant shall obtain City's authorization on all settlements or stipulations in accordance with Fresno Municipal Code (FMC) Section 7-903. Proposer shall not enter into any stipulation or settlement involving liability of City's excess insurer without the advance written consent of the Insurer. Consultant shall not have subrogation settlement authority unless specifically notified by City. A level of accomplishment of 100% is required.

City reserves the right to perform frequent scheduled and unscheduled general audits and/or assessment reviews of the claims administered by Consultant. The contractor or person performing the review will be selected by City and shall have full access to all documents, practices and procedures used by Consultant. The review may entail interviews with Consultant's claims staff and management, examination of physical or electronic claim files and review of policies and procedures.

## INVESTIGATIVE SERVICES

Consultant agrees to coordinate external investigative services including, but not limited to:

1. Receipt and examination of all reports of accidents, incidents, claims or cases which are or may be the subject of claims.
2. The investigation of accidents, incidents, claims or cases where Proposer's initial examination indicates such action is warranted. Said investigation to include on-site investigation, photographs, interviewing of witnesses, determination of losses, but not to include extraordinary investigative services outside the expertise of Consultant.
3. Undertaking special investigations at the direction of City.
4. All investigative services, including selection of the firm to be used, require City's prior authorization.

## EMPLOYEE SERVICES

1. Provide information and guidance to City's employees regarding workers' compensation benefits, inquiries on specified injuries and permanent disability ratings in accordance with policies of the City.
2. Assist in resolving employee problems related to an industrial injury in non-litigated cases.
3. Assist in the development of policies and procedures to ensure that the employee's ability to work is consistent with the findings of the Workers' Compensation Appeals Board.

## LEGAL SERVICES ADMINISTRATION

Consultant agrees to:

1. Consult with City and all attorneys involved as necessary to ensure that all facts and investigations are available for use by the defense attorney.
2. Ensure that any attorneys working on claims are informed of all relevant facts so that the necessary subpoenas for records and/or witnesses are issued and depositions taken.
3. Review and consult with City on proposed settlements and secure approval of City before agreement of any settlement in accordance with Fresno Municipal Code Section 7-903.
4. Assist attorneys in protecting the interests of City, including but not limited to, City's interests in third-party cases.
5. With prior approval from City, refer cases to defense attorneys (designated by the City Attorney) only when the expertise of an attorney is required to resolve issues.
6. Review and document subrogation potential on all files. Consultant will accurately document and report loss history, costs, and expenses to support subrogation claims.

Subrogation efforts on injuries wherein there is also property loss to City shall be coordinated with City and/or its property loss adjuster.

#### MEDICAL BILL REVIEW, UTILIZATION, AND RELATED COST CONTAINMENT SERVICES

1. Medical Utilization Review: Provide for the review of treatment requests by nurse case managers and Peer Review, in accordance with Labor Code Sections 4604.5, 4610 and CCR, Title 8, Sections 9792.6 - 9792.10, 9792.20 - 9792.25, as may be supplanted, modified or supplemented from time to time by the Administrative Director.
2. Medical Bill Review: Provide for the review of all billings for medical services to determine the appropriateness of charges and adjust and pay bills in accordance with the Official Medical Fee Schedule or other applicable fees as may be negotiated with medical service providers.
3. Vendor Management: Develop and administer working relationships with third-party companies for the purpose of realizing cost savings and enhancing the quality of services delivered to City and its injured employees. Cost containment and quality improvement services include, but are not limited to, Medical Provider Network management, Outpatient Rehabilitation Provider Network, Pharmacy Benefit Program and Out-of-Network hospital bill negotiation. Other cost containment/quality improvement services may be implemented with prior approval of City.

#### HEALTH AND WELFARE REPORTS

Prepare a separate monthly report organized by Division/Department which will outline the status of each new claim as being accepted, denied, or delayed for review by City's health and welfare carrier. The report shall be updated with a change in claim status as appropriate.

## SCHEDULE OF FEES AND EXPENSES

1. Claims Administration Services: \$828,000 per year for three (3) years (flat rate). Annual cost is based on a dedicated claims unit staffed with one (1) Supervisor (Unit Manager), eight (8) Claims Adjusters and two (2) Claims Assistants. Maximum adjuster caseloads will be no greater than 175 open claims per adjuster. The cost of claims administration services for each of the option years to be negotiated on a year by year basis as provided in paragraph 3(c), but in no event lower than \$828,000 per year, unless Consultant is able to reduce claims unit staffing. If City elects to direct Consultant to reduce unit staffing to seven (7) Claims Adjusters, Consultant will reduce annual cost by \$75,000 per year, effective on the anniversary date of this Agreement following to City's direction to reduce claims unit staffing.
2. Medical Bill Review: Fees are based on percentage of savings. Fee for reducing a bill to the Official Medical Fee Schedule is 6% of savings. Consultant will charge 15% of savings for bills reduced to charges set by the Total Managed Care Preferred Provider Network and 18% of savings if bill is reduced by any other Preferred Provider Network.
3. Utilization Review and Nurse Case Mangement: Charges for Utilization Review are \$85.00 per Nurse Review and \$150.00 per Peer Review. Telephonic Nurse Case Management charge is \$85.00 per hour.

## Exhibit B

### INSURANCE REQUIREMENTS

#### Consultant Service Agreement between City of Fresno ("CITY") and American All Risk loss Administrators ("CONSULTANT")

Workers' Compensation Claims Administration

PROJECT TITLE

#### Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. The most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01, which shall include insurance for "bodily injury," "property damage" and "personal and advertising injury" with coverage for premises and operations, products and completed operations, and contractual liability.
2. The most current version of Insurance Service Office (ISO) Business Auto Coverage Form CA 00 01, which shall include coverage for all owned, hired, and non-owned automobiles or other licensed vehicles (Code 1- Any Auto).
3. Workers' Compensation insurance as required by the California Labor Code and Employer's Liability Insurance.
4. Professional Liability (Errors and Omissions) insurance appropriate to CONSULTANT'S profession. Architect's and engineer's coverage is to be endorsed to include contractual liability.

#### Minimum Limits of Insurance

CONSULTANT shall maintain limits of liability of not less than:

1. General Liability:  
\$1,000,000 per occurrence for bodily injury and property damage  
\$1,000,000 per occurrence for personal and advertising injury  
\$2,000,000 aggregate for products and completed operations  
\$2,000,000 general aggregate applying separately to the work performed under the Agreement
2. Automobile Liability:  
\$1,000,000 per accident for bodily injury and property damage
3. Employer's Liability:  
\$1,000,000 each accident for bodily injury  
\$1,000,000 disease each employee  
\$1,000,000 disease policy limit

4. Professional Liability (Errors and Omissions):

\$1,000,000 per claim/occurrence  
\$2,000,000 policy aggregate

**Umbrella or Excess Insurance**

In the event CONSULTANT purchases an Umbrella or Excess insurance policy(ies) to meet the "Minimum Limits of Insurance," this insurance policy(ies) shall "follow form" and afford no less coverage than the primary insurance policy(ies).

**Deductibles and Self-Insured Retentions**

CONSULTANT shall be responsible for payment of any deductibles contained in any insurance policy(ies) required hereunder and CONSULTANT shall also be responsible for payment of any self-insured retentions. Any deductibles or self-insured retentions must be declared to, and approved by, the CITY'S Risk Manager or his/her designee. At the option of the CITY'S Risk Manager or his/her designee, either (i) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects CITY, its officers, officials, employees, agents and volunteers; or (ii) CONSULTANT shall provide a financial guarantee, satisfactory to CITY'S Risk Manager or his/her designee, guaranteeing payment of losses and related investigations, claim administration and defense expenses. At no time shall CITY be responsible for the payment of any deductibles or self-insured retentions.

**Other Insurance Provisions**

The General Liability and Automobile Liability insurance policies are to contain, or be endorsed to contain, the following provisions:

1. CITY, its officers, officials, employees, agents and volunteers are to be covered as additional insureds.
2. The coverage shall contain no special limitations on the scope of protection afforded to CITY, its officers, officials, employees, agents and volunteers.
3. CONSULTANT'S insurance coverage shall be primary and no contribution shall be required of CITY.

The Workers' Compensation insurance policy is to contain, or be endorsed to contain, the following provision: CONSULTANT and its insurer shall waive any right of subrogation against CITY, its officers, officials, employees, agents and volunteers.

If the Professional Liability (Errors and Omissions) insurance policy is written on a claims-made form:

1. The retroactive date must be shown, and must be before the effective date of the Agreement or the commencement of work by CONSULTANT.
2. Insurance must be maintained and evidence of insurance must be provided for at least 5 years after any expiration or termination of the Agreement or, in the

alternative, the policy shall be endorsed to provide not less than a 5-year discovery period.

3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of the Agreement or the commencement of work by CONSULTANT, CONSULTANT must purchase extended reporting coverage for a minimum of 5 years following the expiration or termination of the Agreement.
4. A copy of the claims reporting requirements must be submitted to CITY for review.
5. These requirements shall survive expiration or termination of the Agreement.

All policies of insurance required hereunder shall be endorsed to provide that the coverage shall not be cancelled, non-renewed, reduced in coverage or in limits except after 30 calendar day written notice by certified mail, return receipt requested, has been given to CITY. Upon issuance by the insurer, broker, or agent of a notice of cancellation, non-renewal, or reduction in coverage or in limits, CONSULTANT shall furnish CITY with a new certificate and applicable endorsements for such policy(ies). In the event any policy is due to expire during the work to be performed for CITY, CONSULTANT shall provide a new certificate, and applicable endorsements, evidencing renewal of such policy not less than 15 calendar days prior to the expiration date of the expiring policy.

#### **Acceptability of Insurers**

All policies of insurance required hereunder shall be placed with an insurance company(ies) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A-VII" in Best's Insurance Rating Guide; or authorized by CITY'S Risk Manager.

#### **Verification of Coverage**

CONSULTANT shall furnish CITY with all certificate(s) and **applicable endorsements** effecting coverage required hereunder. All certificates and **applicable endorsements** are to be received and approved by the CITY'S Risk Manager or his/her designee prior to CITY'S execution of the Agreement and before work commences.

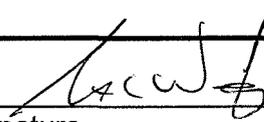
**Exhibit C**

**DISCLOSURE OF CONFLICT OF INTEREST**

Workers' Compensation Claims Administration  
PROJECT TITLE

		YES*	NO
1	Are you currently in litigation with the City of Fresno or any of its agents?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2	Do you represent any firm, organization or person who is in litigation with the City of Fresno?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3	Do you currently represent or perform work for any clients who do business with the City of Fresno?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4	Are you or any of your principals, managers or professionals, owners or investors in a business which does business with the City of Fresno, or in a business which is in litigation with the City of Fresno?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5	Are you or any of your principals, managers or professionals, related by blood or marriage to any City of Fresno employee who has any significant role in the subject matter of this service?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6	Do you or any of your subcontractors have, or expect to have, any interest, direct or indirect, in any other contract in connection with this Project?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
* If the answer to any question is yes, please explain in full below.			

Explanation: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

  
 \_\_\_\_\_  
 Signature  
 1/30/13  
 \_\_\_\_\_  
 Date  
 STEFAN C. WICH  
 \_\_\_\_\_  
 (name)  
 AARLA Inc  
 \_\_\_\_\_  
 (company)  
 4274 W. D. CHANT  
 \_\_\_\_\_  
 (address)  
 FRESNO CA 93722  
 \_\_\_\_\_  
 (city state zip)

Additional page(s) attached.