

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 AGREEMENT

2 **33328**

3 THIS AGREEMENT is made and entered, in duplicate, as of November 19,
4 2013, for reference purposes only, pursuant to a minute order adopted by the City
5 Council of the City of Long Beach at its meeting on June 4, 2013, by and between
6 ALLIANT INSURANCE SERVICES, INC., a Delaware corporation ("Consultant"), with a
7 place of business at 1301 Dove Street, Suite 200, Newport Beach, California 92660, and
8 the CITY OF LONG BEACH, a municipal corporation ("City").

9 WHEREAS, City requires specialized services requiring unique skills to be
10 performed in connection with employee healthcare program consulting and actuarial
11 services ("Project"); and

12 WHEREAS, City has selected Consultant in accordance with City's
13 administrative procedures and City has determined that Consultant and its employees
14 are qualified, licensed, if so required, and experienced in performing these specialized
15 services; and

16 WHEREAS, City desires to have Consultant perform these specialized
17 services, and Consultant is willing and able to do so on the terms and conditions in this
18 Agreement;

19 NOW, THEREFORE, in consideration of the mutual terms, covenants, and
20 conditions in this Agreement, the parties agree as follows:

21 1. SCOPE OF WORK OR SERVICES.

22 A. Consultant shall furnish specialized services more particularly
23 described in Exhibits "A" and "A-1", attached to this Agreement and incorporated
24 by this reference, in accordance with the standards of the profession, and City
25 shall pay for these services in the manner described below, not to exceed Two
26 Hundred Thirty-Five Thousand Dollars (\$235,000), at the rates or charges shown
27 in Exhibit "B".

28 B. Consultant may select the time and place of performance for

1 these services; provided, however, that access to City documents, records and the
2 like, if needed by Consultant, shall be available only during City's normal business
3 hours and provided that milestones for performance, if any, are met.

4 C. Consultant has requested to receive regular payments. City
5 shall pay Consultant in due course of payments following receipt from Consultant
6 and approval by City of invoices showing the services or task performed, the time
7 expended (if billing is hourly), and the name of the Project. Consultant shall certify
8 on the invoices that Consultant has performed the services in full conformance
9 with this Agreement and is entitled to receive payment. Each invoice shall be
10 accompanied by a progress report indicating the progress to date of services
11 performed and covered by the invoice, including a brief statement of any Project
12 problems and potential causes of delay in performance, and listing those services
13 that are projected for performance by Consultant during the next invoice cycle.
14 Where billing is done and payment is made on an hourly basis, the parties
15 acknowledge that this arrangement is either customary practice for Consultant's
16 profession, industry or business, or is necessary to satisfy audit and legal
17 requirements which may arise due to the fact that City is a municipality.

18 D. Consultant represents that Consultant has obtained all
19 necessary information on conditions and circumstances that may affect its
20 performance and has conducted site visits, if necessary.

21 E. CAUTION: Consultant shall not begin work until this
22 Agreement has been signed by both parties and until Consultant's evidence of
23 insurance has been delivered to and approved by City.

24 2. TERM. The term of this Agreement shall commence at midnight on
25 November 1, 2013, and shall terminate at 11:59 p.m. on October 31, 2014, unless sooner
26 terminated as provided in this Agreement, or unless the services or the Project is
27 completed sooner. The parties may extend the term by mutual consent for two (2)
28 separate, consecutive periods of one (1) year each.

1 3. COORDINATION AND ORGANIZATION.

2 A. Consultant shall coordinate its performance with City's
3 representative, if any, named in Exhibit "C", attached to this Agreement and
4 incorporated by this reference. Consultant shall advise and inform City's
5 representative of the work in progress on the Project in sufficient detail so as to
6 assist City's representative in making presentations and in holding meetings on
7 the Project. City shall furnish to Consultant information or materials, if any,
8 described in Exhibit "D", attached to this Agreement and incorporated by this
9 reference, and shall perform any other tasks described in the Exhibit.

10 B. The parties acknowledge that a substantial inducement to City
11 for entering this Agreement was and is the reputation and skill of Consultant's key
12 employees, Michael Menzia and Vickie West. City shall have the right to approve
13 any person proposed by Consultant to replace that key employee.

14 4. INDEPENDENT CONTRACTOR. In performing its services,

15 Consultant is and shall act as an independent contractor and not an employee,
16 representative or agent of City. Consultant shall have control of Consultant's work and
17 the manner in which it is performed. Consultant shall be free to contract for similar
18 services to be performed for others during this Agreement; provided, however, that
19 Consultant acts in accordance with Section 9 and Section 11 of this Agreement.
20 Consultant acknowledges and agrees that (a) City will not withhold taxes of any kind from
21 Consultant's compensation; (b) City will not secure workers' compensation or pay
22 unemployment insurance to, for or on Consultant's behalf; and (c) City will not provide
23 and Consultant is not entitled to any of the usual and customary rights, benefits or
24 privileges of City employees. Consultant expressly warrants that neither Consultant nor
25 any of Consultant's employees or agents shall represent themselves to be employees or
26 agents of City.

27 5. INSURANCE.

28 A. As a condition precedent to the effectiveness of this

1 Agreement, Consultant shall procure and maintain, at Consultant's expense for the
2 duration of this Agreement, from insurance companies that are admitted to write
3 insurance in California and have ratings of or equivalent to A:V by A.M. Best
4 Company or from authorized non-admitted insurance companies subject to
5 Section 1763 of the California Insurance Code and that have ratings of or
6 equivalent to A:VIII by A.M. Best Company, the following insurance:

7 (a) Commercial general liability insurance (equivalent in scope to
8 ISO form CG 00 01 11 85 or CG 00 01 10 93) in an amount not less than
9 \$1,000,000 per each occurrence and \$2,000,000 general aggregate. This
10 coverage shall include but not be limited to broad form contractual liability,
11 cross liability, independent contractors liability, and products and
12 completed operations liability. City, its boards and commissions, and their
13 officials, employees and agents shall be named as additional insureds by
14 endorsement (on City's endorsement form or on an endorsement
15 equivalent in scope to ISO form CG 20 10 11 85 or CG 20 26 11 85 or
16 both CG 20 10 07 04 and CG 20 37 07 04 or both CG 20 33 07 04 and
17 CG 20 37 07 04), and this insurance shall contain no special limitations on
18 the scope of protection given to City, its boards and commissions, and
19 their officials, employees and agents. This policy shall be endorsed to
20 state that the insurer waives its right of subrogation against City, its boards
21 and commissions, and their officials, employees and agents.

22 (b) Workers' Compensation insurance as required by the California
23 Labor Code and employer's liability insurance in an amount not less than
24 \$1,000,000. This policy shall be endorsed to state that the insurer waives
25 its right of subrogation against City, its boards and commissions, and their
26 officials, employees and agents.

27 (c) Professional liability or errors and omissions insurance in an
28 amount not less than \$1,000,000 per claim.

1 (d) Commercial automobile liability insurance (equivalent in scope
2 to ISO form CA 00 01 06 92), covering Auto Symbol 1 (Any Auto) in an
3 amount not less than \$500,000 combined single limit per accident.

4 B. Any self-insurance program, self-insured retention, or
5 deductible must be separately approved in writing by City's Risk Manager or
6 designee and shall protect City, its officials, employees and agents in the same
7 manner and to the same extent as they would have been protected had the policy
8 or policies not contained retention or deductible provisions.

9 C. Each insurance policy shall be endorsed to state that
10 coverage shall not be reduced, non-renewed or canceled except after thirty (30)
11 days prior written notice to City, shall be primary and not contributing to any other
12 insurance or self-insurance maintained by City, and shall be endorsed to state that
13 coverage maintained by City shall be excess to and shall not contribute to
14 insurance or self-insurance maintained by Consultant. Consultant shall notify City
15 in writing within five (5) days after any insurance has been voided by the insurer or
16 cancelled by the insured.

17 D. If this coverage is written on a "claims made" basis, it must
18 provide for an extended reporting period of not less than one hundred eighty (180)
19 days, commencing on the date this Agreement expires or is terminated, unless
20 Consultant guarantees that Consultant will provide to City evidence of
21 uninterrupted, continuing coverage for a period of not less than three (3) years,
22 commencing on the date this Agreement expires or is terminated.

23 E. Consultant shall require that all subconsultants or contractors
24 that Consultant uses in the performance of these services maintain insurance in
25 compliance with this Section unless otherwise agreed in writing by City's Risk
26 Manager or designee.

27 F. Prior to the start of performance, Consultant shall deliver to
28 City certificates of insurance and the endorsements for approval as to sufficiency

1 and form. In addition, Consultant shall, within thirty (30) days prior to expiration of
2 the insurance, furnish to City certificates of insurance and endorsements
3 evidencing renewal of the insurance. City reserves the right to require complete
4 certified copies of all policies of Consultant and Consultant's subconsultants and
5 contractors, at any time. Consultant shall make available to City's Risk Manager
6 or designee all books, records and other information relating to this insurance,
7 during normal business hours.

8 G. Any modification or waiver of these insurance requirements
9 shall only be made with the approval of City's Risk Manager or designee. Not
10 more frequently than once a year, City's Risk Manager or designee may require
11 that Consultant, Consultant's subconsultants and contractors change the amount,
12 scope or types of coverages required in this Section if, in his or her sole opinion,
13 the amount, scope or types of coverages are not adequate.

14 H. The procuring or existence of insurance shall not be
15 construed or deemed as a limitation on liability relating to Consultant's
16 performance or as full performance of or compliance with the indemnification
17 provisions of this Agreement.

18 6. ASSIGNMENT AND SUBCONTRACTING. This Agreement
19 contemplates the personal services of Consultant and Consultant's employees, and the
20 parties acknowledge that a substantial inducement to City for entering this Agreement
21 was and is the professional reputation and competence of Consultant and Consultant's
22 employees. Consultant shall not assign its rights or delegate its duties under this
23 Agreement, or any interest in this Agreement, or any portion of it, without the prior
24 approval of City, except that Consultant may with the prior approval of the City Manager
25 of City, assign any moneys due or to become due Consultant under this Agreement. Any
26 attempted assignment or delegation shall be void, and any assignee or delegate shall
27 acquire no right or interest by reason of an attempted assignment or delegation.
28 Furthermore, Consultant shall not subcontract any portion of its performance without the

1 prior approval of the City Manager or designee, or substitute an approved subconsultant
2 or contractor without approval prior to the substitution. Nothing stated in this Section
3 shall prevent Consultant from employing as many employees as Consultant deems
4 necessary for performance of this Agreement.

5 7. CONFLICT OF INTEREST. Consultant, by executing this
6 Agreement, certifies that, at the time Consultant executes this Agreement and for its
7 duration, Consultant does not and will not perform services for any other client which
8 would create a conflict, whether monetary or otherwise, as between the interests of City
9 and the interests of that other client. And, Consultant shall obtain similar certifications
10 from Consultant's employees, subconsultants and contractors.

11 8. MATERIALS. Consultant shall furnish all labor and supervision,
12 supplies, materials, tools, machinery, equipment, appliances, transportation and services
13 necessary to or used in the performance of Consultant's obligations under this
14 Agreement, except as stated in Exhibit "D".

15 9. OWNERSHIP OF DATA. All materials, information and data
16 prepared, developed or assembled by Consultant or furnished to Consultant in
17 connection with this Agreement, including but not limited to documents, estimates,
18 calculations, studies, maps, graphs, charts, computer disks, computer source
19 documentation, samples, models, reports, summaries, drawings, designs, notes, plans,
20 information, material and memorandum ("Data") shall be the exclusive property of City.
21 Data shall be given to City, and City shall have the unrestricted right to use and disclose
22 the Data in any manner and for any purpose without payment of further compensation to
23 Consultant. Copies of Data may be retained by Consultant but Consultant warrants that
24 Data shall not be made available to any person or entity for use without the prior approval
25 of City. This warranty shall survive termination of this Agreement for five (5) years.

26 10. TERMINATION. Either party shall have the right to terminate this
27 Agreement for any reason or no reason at any time by giving fifteen (15) calendar days
28 prior notice to the other party. In the event of termination under this Section, City shall

1 pay Consultant for services satisfactorily performed and costs incurred up to the effective
2 date of termination for which Consultant has not been previously paid. The procedures
3 for payment in Section 1.B. with regard to invoices shall apply. On the effective date of
4 termination, Consultant shall deliver to City all Data developed or accumulated in the
5 performance of this Agreement, whether in draft or final form, or in process. And,
6 Consultant acknowledges and agrees that City's obligation to make final payment is
7 conditioned on Consultant's delivery of the Data to City.

8 11. CONFIDENTIALITY. Consultant shall keep all Data confidential and
9 shall not disclose the Data or use the Data directly or indirectly, other than in the course
10 of performing its services, during the term of this Agreement and for five (5) years
11 following expiration or termination of this Agreement. In addition, Consultant shall keep
12 confidential all information, whether written, oral or visual, obtained by any means
13 whatsoever in the course of performing its services for the same period of time.
14 Consultant shall not disclose any or all of the Data to any third party, or use it for
15 Consultant's own benefit or the benefit of others except for the purpose of this
16 Agreement.

17 12. BREACH OF CONFIDENTIALITY. Consultant shall not be liable for
18 a breach of confidentiality with respect to Data that: (a) Consultant demonstrates
19 Consultant knew prior to the time City disclosed it; or (b) is or becomes publicly available
20 without breach of this Agreement by Consultant; or (c) a third party who has a right to
21 disclose does so to Consultant without restrictions on further disclosure; or (d) must be
22 disclosed pursuant to subpoena or court order.

23 13. ADDITIONAL COSTS AND REDESIGN.

24 A. Any costs incurred by City due to Consultant's failure to meet
25 the standards required by the scope of work or Consultant's failure to perform fully
26 the tasks described in the scope of work which, in either case, causes City to
27 request that Consultant perform again all or part of the Scope of Work shall be at
28 the sole cost of Consultant and City shall not pay any additional compensation to

1 Consultant for its re-performance.

2 B. If the Project involves construction and the scope of work
3 requires Consultant to prepare plans and specifications with an estimate of the
4 cost of construction, then Consultant may be required to modify the plans and
5 specifications, any construction documents relating to the plans and specifications,
6 and Consultant's estimate, at no cost to City, when the lowest bid for construction
7 received by City exceeds by more than ten percent (10%) Consultant's estimate.
8 This modification shall be submitted in a timely fashion to allow City to receive new
9 bids within four (4) months after the date on which the original plans and
10 specifications were submitted by Consultant.

11 14. AMENDMENT. This Agreement, including all Exhibits, shall not be
12 amended, nor any provision or breach waived, except in writing signed by the parties
13 which expressly refers to this Agreement.

14 15. LAW. This Agreement shall be construed in accordance with the
15 laws of the State of California, and the venue for any legal actions brought by any party
16 with respect to this Agreement shall be the County of Los Angeles, State of California for
17 state actions and the Central District of California for any federal actions. Consultant
18 shall cause all work performed in connection with construction of the Project to be
19 performed in compliance with (1) all applicable laws, ordinances, rules and regulations of
20 federal, state, county or municipal governments or agencies (including, without limitation,
21 all applicable federal and state labor standards, including the prevailing wage provisions
22 of sections 1770 *et seq.* of the California Labor Code); and (2) all directions, rules and
23 regulations of any fire marshal, health officer, building inspector, or other officer of every
24 governmental agency now having or hereafter acquiring jurisdiction.

25 16. PREVAILING WAGES.

26 A. Consultant agrees that all public work (as defined in California
27 Labor Code section 1720) performed pursuant to this Agreement (the "Public
28 Work"), if any, shall comply with the requirements of California Labor Code

1 sections 1770 *et seq.* City makes no representation or statement that the Project,
2 or any portion thereof, is or is not a "public work" as defined in California Labor
3 Code section 1720.

4 B. In all bid specifications, contracts and subcontracts for any
5 such Public Work, Consultant shall obtain the general prevailing rate of per diem
6 wages and the general prevailing rate for holiday and overtime work in this locality
7 for each craft, classification or type of worker needed to perform the Public Work,
8 and shall include such rates in the bid specifications, contract or subcontract.
9 Such bid specifications, contract or subcontract must contain the following
10 provision: "It shall be mandatory for the contractor to pay not less than the said
11 prevailing rate of wages to all workers employed by the contractor in the execution
12 of this contract. The contractor expressly agrees to comply with the penalty
13 provisions of California Labor Code section 1775 and the payroll record keeping
14 requirements of California Labor Code section 1771."

15 17. ENTIRE AGREEMENT. This Agreement, including all Exhibits,
16 constitutes the entire understanding between the parties and supersedes all other
17 agreements, oral or written, with respect to the subject matter in this Agreement.

18 18. INDEMNITY.

19 A. Consultant shall indemnify, protect and hold harmless City, its
20 Boards, Commissions, and their officials, employees and agents ("Indemnified
21 Parties"), from and against any and all liability, claims, demands, damage, loss,
22 obligations, causes of action, proceedings, awards, fines, judgments, penalties,
23 costs and expenses, including attorneys' fees, court costs, expert and witness
24 fees, and other costs and fees of litigation, arising or alleged to have arisen, in
25 whole or in part, out of or in connection with (1) Consultant's breach or failure to
26 comply with any of its obligations contained in this Agreement, including any
27 obligations arising from the Project's compliance with or failure to comply with
28 applicable laws, including all applicable federal and state labor requirements

1 including, without limitation, the requirements of California Labor Code section
2 1770 *et seq.* or (2) negligent or willful acts, errors, omissions or misrepresentations
3 committed by Consultant, its officers, employees, agents, subcontractors, or
4 anyone under Consultant's control, in the performance of work or services under
5 this Agreement (collectively "Claims" or individually "Claim").

6 B. In addition to Consultant's duty to indemnify, Consultant shall
7 have a separate and wholly independent duty to defend Indemnified Parties at
8 Consultant's expense by legal counsel approved by City, from and against all
9 Claims, and shall continue this defense until the Claims are resolved, whether by
10 settlement, judgment or otherwise. No finding or judgment of negligence, fault,
11 breach, or the like on the part of Consultant shall be required for the duty to defend
12 to arise. City shall notify Consultant of any Claim, shall tender the defense of the
13 Claim to Consultant, and shall assist Consultant, as may be reasonably requested,
14 in the defense.

15 C. If a court of competent jurisdiction determines that a Claim
16 was caused by the sole negligence or willful misconduct of Indemnified Parties,
17 Consultant's costs of defense and indemnity shall be (1) reimbursed in full if the
18 court determines sole negligence by the Indemnified Parties, or (2) reduced by the
19 percentage of willful misconduct attributed by the court to the Indemnified Parties.

20 D. The provisions of this Section shall survive the expiration or
21 termination of this Agreement.

22 19. AMBIGUITY. In the event of any conflict or ambiguity between this
23 Agreement and any Exhibit, the provisions of this Agreement shall govern.

24 20. NONDISCRIMINATION.

25 A. In connection with performance of this Agreement and subject
26 to applicable rules and regulations, Consultant shall not discriminate against any
27 employee or applicant for employment because of race, religion, national origin,
28 color, age, sex, sexual orientation, gender identity, AIDS, HIV status, handicap or

1 disability. Consultant shall ensure that applicants are employed, and that
2 employees are treated during their employment, without regard to these bases.
3 These actions shall include, but not be limited to, the following: employment,
4 upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or
5 termination; rates of pay or other forms of compensation; and selection for training,
6 including apprenticeship.

7 B. It is the policy of City to encourage the participation of
8 Disadvantaged, Minority and Women-Owned Business Enterprises in City's
9 procurement process, and Consultant agrees to use its best efforts to carry out
10 this policy in its use of subconsultants and contractors to the fullest extent
11 consistent with the efficient performance of this Agreement. Consultant may rely
12 on written representations by subconsultants and contractors regarding their
13 status. Consultant shall report to City in May and in December or, in the case of
14 short-term agreements, prior to invoicing for final payment, the names of all
15 subconsultants and contractors hired by Consultant for this Project and information
16 on whether or not they are a Disadvantaged, Minority or Women-Owned Business
17 Enterprise, as defined in Section 8 of the Small Business Act (15 U.S.C. Sec.
18 637).

19 21. EQUAL BENEFITS ORDINANCE. Unless otherwise exempted in
20 accordance with the provisions of the Ordinance, this Agreement is subject to the
21 applicable provisions of the Equal Benefits Ordinance (EBO), section 2.73 et seq. of the
22 Long Beach Municipal Code, as amended from time to time.

23 A. During the performance of this Agreement, the Consultant
24 certifies and represents that the Consultant will comply with the EBO. The
25 Consultant agrees to post the following statement in conspicuous places at its
26 place of business available to employees and applicants for employment:

27 "During the performance of a contract with the City of Long Beach,
28 the Consultant will provide equal benefits to employees with spouses and its

1 employees with domestic partners. Additional information about the City of
2 Long Beach's Equal Benefits Ordinance may be obtained from the City of
3 Long Beach Business Services Division at 562-570-6200."

4 B. The failure of the Consultant to comply with the EBO will be
5 deemed to be a material breach of the Agreement by the City.

6 C. If the Consultant fails to comply with the EBO, the City may
7 cancel, terminate or suspend the Agreement, in whole or in part, and monies due
8 or to become due under the Agreement may be retained by the City. The City
9 may also pursue any and all other remedies at law or in equity for any breach.

10 D. Failure to comply with the EBO may be used as evidence
11 against the Consultant in actions taken pursuant to the provisions of Long Beach
12 Municipal Code 2.93 et seq., Contractor Responsibility.

13 E. If the City determines that the Consultant has set up or used
14 its contracting entity for the purpose of evading the intent of the EBO, the City may
15 terminate the Agreement on behalf of the City. Violation of this provision may be
16 used as evidence against the Consultant in actions taken pursuant to the
17 provisions of Long Beach Municipal Code Section 2.93 et seq., Contractor
18 Responsibility.

19 22. NOTICES. Any notice or approval required by this Agreement shall
20 be in writing and personally delivered or deposited in the U.S. Postal Service, first class,
21 postage prepaid, addressed to Consultant at the address first stated above, and to City at
22 333 West Ocean Boulevard, Long Beach, California 90802, Attn: City Manager, with a
23 copy to the City Engineer at the same address. Notice of change of address shall be
24 given in the same manner as stated for other notices. Notice shall be deemed given on
25 the date deposited in the mail or on the date personal delivery is made, whichever occurs
26 first.

27 23. COPYRIGHTS AND PATENT RIGHTS.

28 A. Consultant shall place the following copyright protection on all

1 Data: © City of Long Beach, California _____, inserting the appropriate year.

2 B. City reserves the exclusive right to seek and obtain a patent
3 or copyright registration on any Data or other result arising from Consultant's
4 performance of this Agreement. By executing this Agreement, Consultant assigns
5 any ownership interest Consultant may have in the Data to City.

6 C. Consultant warrants that the Data does not violate or infringe
7 any patent, copyright, trade secret or other proprietary right of any other party.
8 Consultant agrees to and shall protect, defend, indemnify and hold City, its officials
9 and employees harmless from any and all claims, demands, damages, loss,
10 liability, causes of action, costs or expenses (including reasonable attorney's fees)
11 whether or not reduced to judgment, arising from any breach or alleged breach of
12 this warranty.

13 24. COVENANT AGAINST CONTINGENT FEES. Consultant warrants
14 that Consultant has not employed or retained any entity or person to solicit or obtain this
15 Agreement and that Consultant has not paid or agreed to pay any entity or person any
16 fee, commission or other monies based on or from the award of this Agreement. If
17 Consultant breaches this warranty, City shall have the right to terminate this Agreement
18 immediately notwithstanding the provisions of Section 10 or, in its discretion, to deduct
19 from payments due under this Agreement or otherwise recover the full amount of the fee,
20 commission or other monies.

21 25. WAIVER. The acceptance of any services or the payment of any
22 money by City shall not operate as a waiver of any provision of this Agreement or of any
23 right to damages or indemnity stated in this Agreement. The waiver of any breach of this
24 Agreement shall not constitute a waiver of any other or subsequent breach of this
25 Agreement.

26 26. CONTINUATION. Termination or expiration of this Agreement shall
27 not affect rights or liabilities of the parties which accrued pursuant to Sections 7, 10, 11,
28 17, 19, 22 and 28 prior to termination or expiration of this Agreement.

1 27. TAX REPORTING. As required by federal and state law, City is
2 obligated to and will report the payment of compensation to Consultant on Form 1099-
3 Misc. Consultant shall be solely responsible for payment of all federal and state taxes
4 resulting from payments under this Agreement. Consultant shall submit Consultant's
5 Employer Identification Number (EIN), or Consultant's Social Security Number if
6 Consultant does not have an EIN, in writing to City's Accounts Payable, Department of
7 Financial Management. Consultant acknowledges and agrees that City has no obligation
8 to pay Consultant until Consultant provides one of these numbers.

9 28. ADVERTISING. Consultant shall not use the name of City, its
10 officials or employees in any advertising or solicitation for business or as a reference,
11 without the prior approval of the City Manager or designee.

12 29. AUDIT. City shall have the right at all reasonable times during the
13 term of this Agreement and for a period of five (5) years after termination or expiration of
14 this Agreement to examine, audit, inspect, review, extract information from and copy all
15 books, records, accounts and other documents of Consultant relating to this Agreement.

16 30. THIRD PARTY BENEFICIARY. This Agreement is not intended or
17 designed to or entered for the purpose of creating any benefit or right for any person or
18 entity of any kind that is not a party to this Agreement.

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OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

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IN WITNESS WHEREOF, the parties have caused this document to be duly executed with all formalities required by law as of the date first stated above.

ALLIANT INSURANCE SERVICES, INC.,
a Delaware corporation

December 6, 2013

By [Signature]
Name Michael Wenzel
Title Executive Vice President

December 6, 2013

By [Signature]
Name MARK CONWAY
Title MANAGING DIRECTOR EXUL VI

"Consultant"

CITY OF LONG BEACH, a municipal corporation

12.20, 2013

By [Signature] Assistant City Manager
City Manager

"City"

EXECUTED PURSUANT TO SECTION 301 OF THE CITY CHARTER.

This Agreement is approved as to form on 12/12, 2013.

CHARLES PARKIN, City Attorney

By [Signature]
Deputy

EXHIBIT “A”

Scope of Work or Services

EXHIBIT A

SCOPE OF SERVICES

Alliant Insurance Services will provide the following Scope of work for the City of Long Beach:

1. Represent the City in negotiations with group health insurance providers relating to plan design, benefit levels and premiums.

Alliant Insurance Services will represent The City of Long Beach (The City) in all negotiations with insurance providers, third party administrators, networks, vendors, etc.

Alliant Insurance Service's Technical Underwriting Unit will play a key role in the negotiation of renewal premiums and plan design options through the evaluation of utilization patterns, claim experience, plan costs, and demographic changes. The underwriting department assumes a very active role in the financial and risk management aspect of The City's benefit plans and will make pro-active recommendations to preserve the financial health of the plan.

Alliant Insurance Services will work as The City's advocate to negotiate contract changes, secure amendments and resolve any employee insurance issues. We will be responsible for reviewing all contracts and plan documents in order to confirm that all negotiated provisions are included. Alliant will work with The City Employee Benefits team to set service expectations and timelines that all vendors will be required to meet. These standards will be monitored frequently throughout the year to ensure The City is receiving the agreed upon level of service from its vendors.

2. Provide annual review and report of employee benefits programs for quality and adequacy of benefits provided, cost effectiveness, competitiveness, and plan administration and recommendations concerning any changes in terms, conditions and limits.

Renewal Negotiation and Marketing

Alliant Insurance Service's Technical Underwriting Unit will play a key role in the negotiation of renewal premiums and plan design options through the evaluation of utilization patterns, claim experience, plan costs, and demographic changes. In addition, the underwriting department will review the marketplace for alternative funding and purchasing options. The process is outlined below:

- Evaluate Carrier Renewal Calculation by component: claims experience, trend factor, stop-loss level for large claims, administration fees and carrier margin.
- Evaluate Demographic Changes via census analysis and compare to Carrier assumptions.
- Use Critical Analysis and Alliant Insurance Service's book of business to negotiate the lowest cost for the City.
- Identify and recommend cost saving options that do not change benefits.
- Market coverages to other carriers in the marketplace. (Maximum of one line of coverage per year).
- Identify alternative funding and risk-sharing options that may be beneficial to the City.

Alliant Insurance Services Public Entity Benefit Programs

Alliant Insurance Services has worked to develop exclusive programs designed specifically for public agencies and their unique characteristics. These programs provide cost savings, while matching your benefits and providing greater long term stability. Alliant Insurance Service's EIA Health Program is one example of our ability to provide alternative purchasing options, which are not available in the marketplace, to our public sector clients. Alliant Insurance Service's underwriting team will include the following Public Entity Program options in the renewal analysis for The City.

- Medical – EIA Health
- Wholesale Prescription Drug
- Dental
- Vision
- Life
- Disability
- Mental Health

Recommendations

Alliant Insurance Services will assemble all this data and put it into a report format that is clear and concise and make pro-active recommendations to ensure comprehensive coverage at the lowest cost to the City and its employees. We will review this material with The City's Health Insurance Advisory Committee and address any questions to assist with the decision making process

- 3. Monitor contracts, including provider plan administration, actuarial review, tracking of performance standards, provider compliance with contracts, terminal liability and incurred claims.**

The City will have a dedicated Alliant Insurance Services team available to them throughout the contract period.

As part of the Annual Work Plan for the City, Alliant Insurance Services will review contracts with all vendors to ensure consistency with City policies and procedures and will work closely with City Management and vendors to coordinate implementation timelines and make sure milestones are achieved in a timely manner. Furthermore, Alliant Insurance Services will review all booklets and employee communications material for consistency of benefits, rates and eligibility policies.

For carriers that have agreed to performance standards for items such as customer service (call abandonment rates and average phone hold times), claim payment (turnaround time, and financial accuracy), implementation (claim system readiness and ID card release), we will monitor the results of each measurement on a monthly basis using reports provided by the carriers. As part of this evaluation, we will advise the City as to each vendor's performance versus the goals and work with vendors to improve processes for those areas that are short of expected results. Additionally, we would perform a claims operation audit of each carrier to validate the self-reported results and ensure that claims are being processed in accordance with negotiated plan provisions. This does not include the cost of a complete claims audit completed by ICD9 or CPT code analysis which would be performed by a third party.

4. Provide estimates of renewal rates and cost trends and assistance to City staff in preparation of budget figures.

Alliant Insurance Services Technical Underwriting Unit will provide support to The City's dedicated Benefits Analyst in the evaluation of utilization patterns, claim experience, plan costs, and trends. This team will use this information to develop a report with projections to assist The City develop their annual healthcare budget.

Alliant Insurance Services begins the renewal process 6-9 months prior to the effective date with our pre-renewal meeting so that we understand The City's budget requirements, expected growth and other anticipated needs. We will provide the following information at the pre-renewal meeting:

- Provide market trends analysis by plan
- Introduce new product innovation
- Review Insurance Carrier performance
- Identify areas of cost containment
- Provide renewal estimates
- Provide large claim analysis

This strategy provides us with ample time to evaluate options, secure the most favorable contractual terms, and to provide scenarios that meet The City's budget guidelines.

5. Assist with any government and/or IRS filing as needed in connection with the annual renewal process and/or implementation of existing or new services, as necessary.

Alliant Insurance Services will assist with any government and/or IRS filings as needed in connection with plan renewals and/or implementations.

As part of our Scope of Services we will review your current practices and update The City on new developments, legislation, regulations, and practices that affect proper plan design and cost effectiveness.

A sample list includes:

- Medicare Part D compliance
- COBRA Regulations
- Cafeteria Plan Election Change Regulations
- HIPAA Guidance on Compliance
- ADA Compliance
- FMLA Compliance
- Effect of Military Leave on Health Insurance Coverage
- Health Care Trends
- Health Care Reform

As part of our core activity, we will review all of your current plan documents, insurance contracts, and benefit books to ensure:

- Compliance with Legislative Requirements
- Consistency with The City's Policies and Procedures
- Comprehensive Coverage – Ensuring Significant Gaps or Exclusions are consistent with The City's understanding of the Plan

In addition, Alliant Insurance Services will assist with the following:

- Review and evaluate coverage drafts and summary plan descriptions
- Create required notices for review by City Staff

- Assist with drafting plan documents as needed, including Section 125 Plan document
- Prepare or review plan amendments as needed
- Provide resources to help and assist The City with other Legislative issues such as COBRA, Family Leave, ADEA, Qualified medical dependents, etc.
- Review Employee Handbook/Policies & Procedures Manual

Furthermore, your Alliant Insurance Services team will provide The City with continuous updates on all developments that will affect employee benefit plans. Our sources include the following:

–Account Service Team: All members of your Alliant Insurance Services team are current on legislative issues and have specific areas of expertise. They also have access to our Alliant Insurance Services Health and Welfare Attorney (i.e. COBRA, HIPAA, ADA, FMLA, etc.).

–Benefits Newsletters: A monthly publication from the employee benefits division of Alliant Insurance Services. This publication includes timely articles relating to all aspects of employee benefits administration including news, trends, and pending and approved state and federal legislation.

–Client Seminars: Alliant Insurance Services periodically sponsors employee benefit seminars to highlight topics of current interest (HIPAA, Healthcare Reform, New Employer Laws, Flexible Benefits, etc).

Human Resources Consulting

Additionally, Alliant Insurance Services understands a public entity Human Resources Department has needs outside of Employee Benefit Administration. Through our wholly owned subsidiary, Strategic HR, The City will be given a complementary HR Membership Program that offers many benefits including access to a members-only website that contains an extensive selection of HR forms, policies, checklists and guidelines, and answers to frequently asked questions. The City will have access to the full range of Strategic HR's Services however, the following services are provided under the \$235,000 fee.

- Legislative updates
- Information related to Regulatory compliance
- Human Resource Membership Program – provides unlimited, toll-free telephone access to a team of HR experts who quickly respond with guidance.

6. Prepare and present reports to the Health Insurance Advisory Committee (HIAC) at their regularly scheduled meetings to advise of plan options, market trends, audits, renewals, etc.

The Alliant Insurance Services team will work with the Human Resources Department, the Financial Management Department, Management, and the Health Insurance Advisory Committee.

Health Insurance Advisory Committee (HIAC): We will assist in the following areas to help gain understanding and consensus:

- Attend Regular Meetings
- Help Establish Agenda
- Review Reporting Packages
- Establish Long Term Goals
- Education on Market Trends (Rx, Legislation, Tiered Networks, etc.)
- Field Questions & Suggestions

In addition to meeting with the HIAC at regularly scheduled meetings, Alliant Insurance Services believes that education and engagement of all constituent groups is necessary to gain the necessary consensus for plan administration and negotiations. With that in mind, we will meet with the following groups as appropriate.

City Council: Alliant Insurance Services would be happy to work with the City Council regarding ratification of program changes, understanding market trends, and providing recommendations for meeting budget goals.

City Staff: Alliant Insurance Services encourages "Train the Trainer" sessions that allow us to identify administrative training needs and appropriate support through education. These sessions include:

- Benefits Understanding
- Billing
- Eligibility
- Adds/Deletes
- COBRA
- New Legislation
- Other Plan Administrative Issues

Bargaining Units: We will work to establish a rapport with the bargaining units so that we can have effective discussions regarding important issues to include:

- Weighing the need for rich benefit plans in the midst of budget constraints

- Working collaboratively with union representatives to discuss plan alternatives

General Employee Population: Alliant Insurance Services will support the general employee population in the following areas:

- Annual Open Enrollment Meetings & Communications
- Question and Answers Sessions
- Retiree Communications
- Service Issue Support

7. Develop and produce an effective communications program including: concept, design, production, printing and delivery.

Alliant Insurance Services will provide the following services and support for The City's employee benefit communication materials:

- Review current communication materials and make recommendations
- Draft and produce employee and retiree communication materials including announcements, enrollment meeting materials, benefits exhibits, etc.
- Plan, facilitate, and conduct all scheduled open enrollment meetings and health fairs.
- Coordinate employee newsletters and surveys
- Create new hire communication pieces
- Provide on-going service issue support

Alliant Insurance Services has a full-range of capabilities related to education and communication to employees and retirees. The vast array of tools that we offer can be as high-touch or as high-tech as is necessary to meet the needs of your Human Resources Department, your employees and your retirees. Furthermore, Alliant Insurance Services will help identify off-the-shelf materials or vendors who can provide turnkey communications materials to complement or enhance The City's current communication strategy.

8. Assist the City in developing and coordinating an overall strategy and action plan for benefit plan implementation and enrollment.

Open Enrollment

Alliant Insurance Services will be actively involved in The City's annual Open Enrollment. Your Alliant Insurance Services Account Team will create a timeline of

activities leading up to Open Enrollment with key milestones highlighted as well as shared responsibilities.

Health Fairs

Alliant Insurance Services believes annual health and safety fairs are a fundamental part of any group healthcare strategy. The City's Alliant Insurance Services team will assist with the planning of the event and help secure vendors for the health fair. Additionally, we would help The City to select among the numerous screening services and educational demonstrations and exhibits that are available for Health Fairs.

9. Monitor and provide experience trends reports and special studies and reports as requested by City, including annual accounting report of all plan operations.

Alliant Insurance Services will work with The City to develop a regular custom reporting package that will best enable the City to easily monitor the various health plans' actual financial results vs. expected costs. These reports will be provided on a regular schedule as agreed upon by the City and Alliant Insurance.

Alliant Insurance Services will review the current reports that the City receives, evaluate the usefulness of each report and make any recommendations for additional reports that may be helpful in the analysis of the plan data and future cost forecasting. Alliant Insurance Services will report to management and the insurance committee and these reports will be used as tools to make decisions.

The following is a list of some of the software capabilities:

- Project Management Timeline
- Spreadsheet rating module
- Claims analysis and reporting
- Benefit pricing module
- Plan options projection tool
- Self funded premium valuations
- Benchmarking

10. Review and assistance with resolving disputes regarding coverage, billing questions and service delivery.

Alliant Insurance Services will respond to and expedite all claims, billing and/or eligibility issues. Alliant Insurance Services is well acquainted with the internal operations and processes of most carriers and is experienced in resolving service issues such as claims, eligibility and billing, contract, and quality of care. With our in-house legal

counsel, and extensive background of each Alliant Insurance Services Team member, we can provide immediate advice on claims or contract disputes. Your Alliant Insurance Services Team will work with all carriers to ensure that all issues that occur at The City are addressed and resolved in a timely manner.

Claims and Eligibility Assistance:

- Respond within 24-hours to every inquiry call
- Research and Resolve Claim and Eligibility Issues
- Monitor Service of Carrier and Third-party Administrators
- Track Claim Office and Member Services Data to assess and make recommendations for Plan Changes and Employee Education needs
- Secure Carrier performance guarantees when appropriate

11. Advise City staff on changing benefit issues and experience trends.

Alliant Insurance Services will meet with The City periodically to discuss important issues such as:

- Medical, Prescription Drug, Dental and Vision Trend
- National and Local Cost Drivers associated with increased premiums
- National and Statewide enrollment trends
- Federal and State Legislation affecting HealthCare
- Provider Networks
- Survey Data

We will also provide information regarding emerging trends in the market such as:

- Health Savings Accounts (HSA)
- Health Reimbursement Accounts (HRA)
- Consumer Driven Products
- Vehicles to fund future retiree costs
- Flexible Spending Accounts
- Technology solutions to promote wellness and reduce costs

Alliant Insurance Services will also provide benchmarking analysis that includes a review of cost trends at The City, a comparison to other benefit programs in our practice, as well as other public sector entities. Based on these assessments, Alliant Insurance Services will identify areas where The City has opportunities for cost containment measures that will provide you and your plan participants with the best value.

12. Optional Services: These services are available and not included in the consulting fee of \$235,000 and are subject to additional costs if selected.

1. The City will have access to the full range of Strategic HR's Services that are not covered in the annual membership. Listed below are the service and the estimated cost.

- Employee Handbooks \$3,500
- Affirmative Action Plans \$3,600
- Employment Dispute Resolution Programs \$1,000
- Unemployment Insurance Administration \$3,000
- Employee Attitude Surveys \$1,800
- I-9 Audits \$3,000
- Background Checks \$35 per person
- Compensation Systems \$10,000 -\$100,000
- Job Description Review and Development \$150 per job description
- Internal Investigations \$1,350
- Wage and Hour Audits \$3,200
- Employee Transitioning \$1,350
- Performance Appraisal Programs \$3,000
- Safety Programs (SB 198) \$5,000
- Organizational Development \$2,000 -\$15,000
- HR Training \$3,000

2. Costs for Health Fair and additional screenings. The following are some common screenings and exhibits: Estimated cost for these services is \$5,000.

- Cholesterol Testing
- Blood Pressure Check
- Skin Cancer Screening
- Smoking Cessation
- Stress Management
- Money Management Education
- Ask-a-dietician
- Child Care Resources
- Pre-natal care
- Legal Services Information
- Blood Glucose
- Mini-massage

3. Actuary study on GASB 45 Liability: Estimated cost is \$10,000-\$15,000
4. Third Party Claims Audit: Estimated cost \$3,500
5. Formal written Legal Opinions: Estimated cost \$3,500
6. Administrative Suite of services: Estimated cost is \$6.50 per employee per month
 - a. Online Enrollment solutions
 - b. Eligibility Management
 - c. Consolidated Billing
 - d. Retiree Billing
 - e. COBRA
 - f. FSA Administration
7. Extensive Marketing as defined by more than one line of coverage per year. Estimated cost is \$10,000 per line of coverage.

EXHIBIT “A-1”

Additional Scope of Work or Services

EXHIBIT "A-1"

HEALTH CARE REFORM CONSULTING

1. Timely notification of issuance of regulations through Alliant compliance alerts and updates delivered by e-mail.
2. Speedy interpretation of regulations with practical advice to employers related to the specific steps they need to take to comply. We have created a dedicated compliance resource center to answer questions posed by our clients through Alliant service teams in order to ensure quick responses to your inquiries.
3. To supplement our written and electronic communications about health care reform, Alliant provides webinars from time to time with both legal and consulting advice regarding the requirements of reform. In the first six months after reform legislation was passed Alliant produced four separate webinars on various subjects to help clients comply with the emerging regulations.
4. Analysis of the financial impact of new regulations on employers and employees as well as the changes in the marketplace that will be created as the law is implemented.
5. Development of modeling tools for the employer mandate (Pay or Play) to demonstrate to employers the procedural and financial advantages and disadvantages of various compliance scenarios regarding employer contribution strategies, plan design alternatives with consideration of impact on employees.
6. Review impact on collective bargained agreements and make recommendations for future changes (i.e., impact on Pay or Play, ACA taxes/fees, Cadillac tax).

EXHIBIT “B”

Rates or Charges

EXHIBIT "B"

CITY OF LONG BEACH

COST OF SERVICES

Service Guarantee

To illustrate our commitment of quality service to the City of Long Beach, Alliant Insurance Services is willing to place 10% of our annual consulting fee at risk. Listed below are the categories of the Service Guarantee:

1. Execution of Scope of Work (5%) – Client satisfaction with deliverables in the Scope of Work.
2. Service and Support (5%) - Service and Support of Client with decision making tools, attendance at meetings, and assistance for any implementation of new benefits/products and transition of carriers.

At any time, the City of Long Beach can invoke the terms of the guarantee. All categories are based solely on client satisfaction level.

NOTE:

- Public Sector purchasing pools have built in Management and Underwriting fees. These costs are separate from the consulting fee associated with the Scope of Work.
- Use of intermediaries: When it is necessary or appropriate, Alliant Insurance Services, Inc. will utilize service of intermediaries to assist in marketing the program. These intermediaries may be affiliates of Alliant Insurance Services, Inc. or unrelated intermediaries. Intermediaries are paid by the insurance company through premiums paid by the client. Compensation to intermediaries regarding the placement is not subject to this scope of work and not subject to the maximum compensation amount of this agreement.

EXHIBIT “C”

City’s Representative:

Sherriel Murry, Human Resources Officer

EXHIBIT “D”

Materials/Information Furnished: None