

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: CEO-RISK MANAGEMENT DIVISION

BOARD AGENDA # *B-7

Urgent

Routine

AGENDA DATE August 28, 2012

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval to Enter into an Agreement to Provide Auto, General Liability and Property Insurance with the Stanislaus County Law Library

STAFF RECOMMENDATIONS:

1. Approve the Agreement with the Stanislaus County Law Library to provide Auto, General Liability and Property insurance coverage.
2. Authorize the Chief Executive Officer to sign the Memorandum of Understanding between Stanislaus County and the Stanislaus County Law Library.
3. Authorize the Auditor Controller to collect a monthly charge from the Law Library through the Cost Allocation Plan.

FISCAL IMPACT:

The Stanislaus County Law Library has reached an agreement with Stanislaus County to establish a new Memorandum of Understanding (MOU) for the provision of insurance coverage provided through the Stanislaus County CEO-Risk Management Division. The amount charged to the Law Library will be determined by the Auditor Controller based on their individual loss history and percentage of overall exposure compared to other County departments. This is the same process used by County departments

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BOARD ACTION AS FOLLOWS:

No. 2012-438

On motion of Supervisor Withrow, Seconded by Supervisor Chiesa
and approved by the following vote,

Ayes: Supervisors: Chiesa, Withrow, Monteith, De Martini, and Chairman O'Brien

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None


1) Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION:



ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

Approval to Enter into an Agreement to Provide Auto, General Liability and Property Insurance with the Stanislaus County Law Library

FISCAL IMPACTS: (Continued)

and allows the Law Library to purchase lower cost insurance coverage through the County's existing relationship with CSAC- Excess Insurance Authority. In the current fiscal year this amount is approximately \$83 per month. These charges will cover auto and general liability as well as property insurance programs administered through the CEO-Risk Management Division.

The auto and general liability allocations are based on a 70% experience, 30% exposure model; with experience calculated as seven years of loss history. The law Library has not had any paid claims. The exposure for auto liability is based on the number of employees that may drive, for the Law Library that number is currently five. General liability uses the number of full time equivalents for exposure which the Law Library has 2.7.

Property charges are based on the value of property being insured. The Law Library's value for Fiscal Year 2012-2013 is estimated at \$352,505 for contents and \$1,002,480 for books.

The annual Law Library charge for the 2012-2013 Fiscal Year is calculated as follows.

Auto Liability	\$140
General Liability	\$580
Property Insurance	\$268
Total	\$988

The Auditor Controller will collect a monthly charge to reimburse the County for the cost of the insurance coverage through the Cost Allocation Plan.

DISCUSSION:

The Stanislaus County Law Library maintains a library for the use of the general public, members of the Bar, and the Judiciary. It is a separate public entity from Stanislaus County. Currently Stanislaus County provides county match to assist with the lease payments for the Law Library. The County also provides janitorial labor, facility maintenance, utilities and A-87 services to the Law Library. A-87 services include Auditor Controller, Chief Executive Office, County Counsel, Risk Management, Purchasing and Treasurer Tax Collector. Law Library employees are County employees included in the County's personnel classification system.

The Law Library Trustees obtained quotes for insurance coverage from a variety sources including the Stanislaus County CEO-Risk Management Division. In review of

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Approval to Enter into an Agreement to Provide Auto, General Liability and Property Insurance with the Stanislaus County Law Library

DISCUSSION: (Continued)

all of the proposals submitted, the Trustees determined that maintaining insurance coverage through CEO-Risk Management would provide the best value to meet their insurance needs.

Stanislaus County Counsel, with input from an ad-hoc committee from the Law Library Trustees and CEO-Risk Management, has developed a proposed Memorandum of Understanding (MOU) to memorialize the insurance services being provided to the Law Library. Under the new MOU, CEO-Risk Management will provide claims administration and litigation management services for covered claims. Either party may terminate the Agreement upon 180-days prior written notice. The proposed MOU is attached to this agenda item for reference and was approved by the Stanislaus County Law Library Board of Trustees on July 5, 2012.

POLICY ISSUES:

Board approval of the Memorandum of Understanding between Stanislaus County and the Stanislaus County Law Library supports the Board's priority Effective Partnerships.

STAFFING IMPACTS:

There are no staffing impacts associated with this item.

CONTACT PERSON:

Jody Hayes, Deputy Executive Officer. Telephone (209) 525-5714

**MEMORANDUM OF UNDERSTANDING BETWEEN
THE STANISLAUS COUNTY LAW LIBRARY
AND THE COUNTY OF STANISLAUS**

This Agreement is made and entered into by and between the Stanislaus County Law Library Board of Trustees, a public entity established under California Business and Professions Code sections 6300, *et seq.*, (hereinafter “Law Library,”) and the County of Stanislaus, a political subdivision of the State of California (hereinafter “County.”)

WHEREAS, the Law Library maintains a library for the use of the general public, members of the Bar, and the Judiciary;

WHEREAS, pursuant to Business and Professions Code section 6361, the County provides quarters for the use of the Law Library, and, in its discretion, the County also provides for the cost of janitorial labor, facilities maintenance, utilities and A-87 charges (Auditor, Chief Executive Office, County Counsel, Risk Management, Purchasing and Treasurer Tax Collector);

WHEREAS, County maintains several insurance policies including, General Liability, Property Damage, Workers Compensation, and Employee Crime policies;

WHEREAS, Law Library currently does not have sufficient insurance coverage;

WHEREAS, Law Library has sought and obtained quotes for insurance coverage, however, the cost of the proposed premiums is prohibitive;

WHEREAS, the County has the ability to name the Law Library as an insured at a very favorable cost;

WHEREAS, the County is willing to add the Law Library to its insurance policies as an additional named insured;

WHEREAS, Law Library does not have the resources to process claims made against it or to manage litigation and desires to have the County perform these services through the CEO Risk Management division;

WHEREAS, the County allocates the cost of its insurance coverage and the cost of administering claims and litigation matters to its various departments through the cost allocation method computed by the County's Auditor Controller, known as “Cost Allocation Plan (CAP) charges”; and

WHEREAS, Law Library is willing to pay the cost to the County for providing the Law Library insurance coverage and the cost to the County for the County’s claims and litigation services (herein after “Risk Management Services”) through CAP charges.

NOW, THEREFORE, in consideration of the mutual benefits to be derived by Law Library and County and of the promises herein contained, it is hereby agreed as follows:

1. Law Library:
 - a. Payment. Law Library shall timely pay the County’s cost to provide the Law Library insurance coverage, all cost for Risk Management Services, litigation

costs, judgments and settlements. These costs will be allocated and charged to the Law Library through the County's monthly CAP charges.

- b. Claims/Lawsuits. Law Library shall immediately deliver the original of any claim or lawsuit filed with or served on the Law Library to the County's Clerk of the Board within one business day of receipt. The Law Library shall at its costs and expense make available all documents and personnel involved and shall otherwise fully cooperate with the County in the investigation of claims or lawsuits filed against the Law Library.
- c. Litigation. The County shall have the power on behalf of the Law Library to:
 - 1. Accept service of any claims and lawsuits filed against the Law Library; and
 - 2. To process and pay any claims made against the Law library under Cal. Gov't Code §900 *et seq.*; and
 - 3. To manage and direct all Law Library litigation, incur costs including without limitation attorneys, experts and witness fees, file cross-actions, pay costs associated with the litigation, pay settlements and judgments, seek writs and appeals, all as the County, in its sole discretion, deems appropriate.

2. County:

- a. Insurance: The County shall provide the Law Library its officers, boards, directors, officials, agents, employees, volunteers and contractors, with insurance coverage as the County deems appropriate, including General Liability, Property Damage, Workers Compensation or Employee Crime policies. The costs of such insurance shall be determined by the same method of insurance expense allocation and costs of defense utilized by the County for County departments and shall be paid by the Law Library through the CAP charges.
- b. Services: County shall provide Law Library with claims administration and litigation management services. The Law Library hereby delegates to the County's Risk Manager the authority to:
 - 1. Process any claim against the library as provided in Cal. Gov't Code § 900 *et seq.*, including rejecting any late claims, approval or denial of all applications to file a late claim, responding to all petitions for late claim relief, determining claim sufficiency and rejecting any claim on its merits; and
 - 2. To pay any single claim or judgment or settle any single lawsuit in an amount not to exceed \$25,000.
- c. Communication. County staff will regularly inform the Law Library of the progress and disposition of claims and litigation matters.

3. County and Law Library:

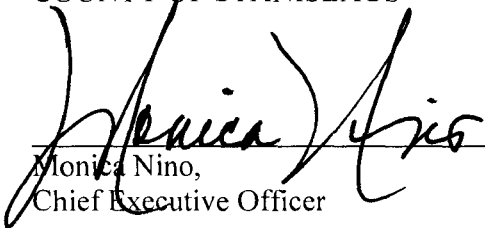
- a. Term. The term of this Agreement shall commence on the date it is approved by the Board of Supervisors. Either party may terminate the Agreement upon one-hundred eighty (180) days prior written notice. Law Library has been informed and understands that the County will recover its costs under this Agreement, including for claims processing, self-insured retention amounts and insurance premiums over a seven-year period through the aforementioned CAP charges.

Therefore, any and all costs incurred by the County under this Agreement on behalf of the Law Library, and not paid as of the date of termination shall be paid in full by the Law Library within one year of termination.

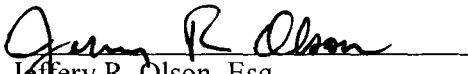
- b. Indemnity. Neither party, nor any of their officers or employees, shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by the other party under or in connection with any work delegated to that party under this Agreement. The parties further agree, pursuant to Government Code section 895.4, that each party shall fully indemnify and hold harmless the other party and its agents, officers, employees and contractors from and against all claims, damages, losses, judgments, liabilities, expenses and other costs, including litigation costs and attorney fees, arising out of, resulting from, or in connection with any work delegated to or action taken or omitted to be taken by such party under this Agreement.
- c. Severability. If any portion of this Agreement or application thereof to any person or circumstance shall be declared invalid by a court of competent jurisdiction or if it is found in contravention of any federal, state or county statute, ordinance or regulation the remaining provisions of this Agreement or the application thereof shall not be invalidated thereby and shall remain in full force and effect to the extent that the provisions of this Agreement are severable.
- d. Amendment. This Agreement may be modified, amended, changed, added to or subtracted from by the mutual consent of the parties hereto if such amendment or change is in written form and executed with the same formalities as this Agreement and attached to the original Agreement to maintain continuity.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers, duly authorized, by the Law Library on _____, 2012, and by the County of Stanislaus on August 28, 2012.

COUNTY OF STANISLAUS

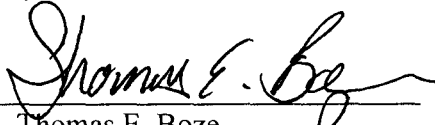

Monica Nino,
Chief Executive Officer

STANISLAUS COUNTY LAW
LIBRARY BOARD OF TRUSTEES


Jeffery R. Olson, Esq.
President of the Law Library Board of
Trustees

APPROVED AS TO FORM:

John P. Doering
County Counsel

By: 
Thomas E. Boze
Deputy County Counsel