

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

DEPT: CEO-Risk Management Division

BOARD AGENDA # \*B-5

Urgent

Routine

AGENDA DATE December 16, 2014

CEO Concurs with Recommendation YES  NO   
(Information Attached)

4/5 Vote Required YES  NO

SUBJECT:

Approval of Agreement for Professional Services with HUB International, Inc. to Provide Consulting Services that Support the County's Self-Insured Medical Benefits Program

STAFF RECOMMENDATIONS:

1. Approve an agreement between the County and HUB International, Inc. to provide health insurance consulting services effective January 1, 2015 through June 30, 2015, with the option to renew the agreement for two one-year terms.
2. Authorize the Purchasing Agent to sign the approved agreement, and if necessary any future renewals as authorized by the Board under this agreement.

FISCAL IMPACT:

The County currently contracts with HUB International, Inc. (formerly Sidles Duncan and Associates) to assist with administration of employee benefit programs including the County's self-insured medical benefits program. The County currently spends approximately \$48.5 million annually to fund medical claims and administrative costs in the self-insured medical benefits program. The agreement with HUB International, Inc. provides oversight and direct management of several components of the program, including administrative, financial and clinical programs.

(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2014-631

On motion of Supervisor Withrow, Seconded by Supervisor Monteith

and approved by the following vote,

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

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) \_\_\_\_\_ Denied

3) \_\_\_\_\_ Approved as amended

4) \_\_\_\_\_ Other:

MOTION:

ATTEST:

  
CHRISTINE FERRARO TALLMAN, Clerk

File No.

**FISCAL IMPACT: (Continued)**

The current agreement with HUB International, Inc. was established with a three year term from January 1, 2012 through December 31, 2014. The agreement provides compensation to be paid in the amount of \$165,000 annually, payable in monthly installments of \$13,750. In addition, an amendment was subsequently put in place under this agreement that allows for HUB International to be reimbursed for any expert services they employ related to the County's medical self-insurance program, not to exceed \$10,000. This additional amendment was necessary to support additional costs for specific legal research projects which were not anticipated in the original contracted amount.

The new agreement recommended for approval is substantially similar to the existing contract except that the term of the agreement will be limited from January 1, 2015 through June 30, 2015. During this six month period of time, the County will conduct a Request for Proposal (RFP) process to evaluate consulting options and costs to support the program moving forward. The new agreement will also allow for two one-year extensions only if necessary and in the best interest of the County's medical self-insurance program. Compensation under the new agreement will remain the same as the existing contract at \$165,000 annually, with services for the six-month period not to exceed \$92,500 which includes up to \$10,000 for reimbursement of expert legal services, if needed. Funding for the new agreement will be provided through existing appropriations in the County's self-insured medical and dental benefits programs.

**DISCUSSION:**

On October 18, 2011, the Board of Supervisors approved implementation of a new self-insured medical benefits program effective January 1, 2012. The primary reason for this transition was due to high premium increases that averaged 11.5% each year from 2005 to 2011. Actual healthcare claims paid by County health plans had increased cumulatively by more than 45% over the three year period leading up to 2011 for the average County employee, which represented a significant factor in the ongoing inflation in the County's insurance premiums. In 2012, the County was facing an additional 12% premium increase to the overall cost of providing fully insured medical benefits to participants with an estimated additional cost to the program of approximately \$5.9 million.

As a result of a lengthy strategic planning effort to address the many challenges facing the employee healthcare program, the County adopted a new three year health insurance strategy for plan years 2012 through 2014. Implementation of the new self-insurance program required several new vendor relationships to support the delivery and management of employee healthcare services, including

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contracting for health insurance consulting services. All new vendor contracts were for three year terms, January 1, 2012 through December 31, 2014.

With the conclusion of the initial three year strategy, the County has worked with labor groups to develop a new three year health insurance strategy for benefit plan years 2015 through 2017. As part of this new strategy, County staff will evaluate all supporting vendor relationships in the medical self-insurance program over the first six months of the 2015 plan year. The majority of vendor contracts include optional extension language which allowed staff to negotiate temporary status quo agreements to maintain support for the health insurance program while staff conducts Request for Proposal (RFP) processes over the next six months. The County's agreement with HUB International Inc. did not include optional contract extension language and therefore staff has prepared this agenda item to seek Board authority to extend the existing agreement while the contract evaluation process is complete.

The new recommended agreement with HUB International Inc. is being put in place for six months in order to give staff sufficient time to evaluate other solicited health insurance consultants to ensure the County is receiving the best available service and value for consulting services. The compensation paid to HUB International Inc. will not change under the new agreement, which provides for payment of \$165,000 annually - \$13,750 monthly - and includes a reimbursement option of up to \$10,000 if the Consultant needs to employ expert legal services related to the agreement. The maximum amount to be paid to HUB International, Inc. by the County for the six-month agreement shall not exceed \$92,500. The scope of work contained in the new agreement is identical to the existing contract to include the following:

- Provide key plan administrative, financial and clinical guidance, service, support, management, data review, and information management for all plan components.
- Lead and manage monthly health benefit review meetings and any other meetings related to the performance of the health benefit plan, its vendors, members, providers or other plan stakeholders.
- Assist the County in measuring and monitoring the clinical performance of its health benefit plans and develop strategies for improvement of member health; improvement of quality of healthcare delivered to plan participants; reducing the amount of unnecessary and inappropriate healthcare delivered to plan participants; and clinical reporting.

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- Assist County with the identification and selection of vendors of employee benefit programs.
- Assist the County in investigation and resolution of disputes, both formal and informal, with vendors, providers of services, program participants, and employee or retiree representatives.
- Advise the County regarding compliance with federal and state regulations concerning employee benefit programs.
- Assist the County with the design of employee and retiree benefit programs, including but not necessarily limited to: Health, prescription drug, dental, vision, life, disability, and catastrophic disease insurance; Employee Wellness Programs; Employee Assistance Programs; and Benefit Program.
- Work with other County vendors and Consultant's sub-contractors to provide detailed claim analysis on a monthly basis, including all financial and clinical data pertaining to plan performance, healthcare delivery and administrative functions.
- Participate in meetings with and, as requested, make presentations to employees and/or retirees, their representatives, management staff, and County Board of Supervisors regarding benefit plans.
- Maintain County compliance with federal and state regulations concerning employee benefit programs, including, but not limited to the Patient Protection and Affordable Care Act, COBRA, HIPAA, and ERISA.
- Provide written reports as requested by the County regarding any activity covered herein.

The recommended agreement is for a period of six months from January 1, 2015 through June 30, 2015. The agreement will not automatically renew but may be renewed for two one-year terms by mutual written agreement of the parties. Either party may terminate the recommended agreement for convenience and without cause upon providing 30 days prior written notice to the other party.

**POLICY ISSUE:**

Approval of the new agreement between the County and HUB International, Inc. to provide health insurance consulting services effective January 1, 2015 supports the Board's priorities of A Healthy Community, Efficient Delivery of Public Services, and Effective Partnerships.

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Provide Consulting Services that Support the County's Self-Insured Medical  
Benefits Program  
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**STAFFING IMPACT:**

There is no staffing impact associated with this report. Staff from the Chief Executive Office, Risk Management Division, will continue to work closely with contracted health insurance consultants and associated vendors to provide ongoing management and oversight of the County's health insurance programs.

**CONTACT PERSON:**

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

## AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement for Professional Services is made and entered into by and between the County of Stanislaus ("County") and HUB International, Inc. ("Consultant"), as of January 1, 2015 (the "Agreement").

### Introduction

WHEREAS, the County has a need for employee benefit consulting services;

WHEREAS, the Consultant is specially trained, experienced and competent to perform and has agreed to provide such services; and

NOW, THEREFORE, in consideration of the mutual promises, covenants, terms and conditions hereinafter contained, the parties hereby agree as follows:

### Terms and Conditions

#### 1. Scope of Work

1.1 The Consultant shall furnish to the County upon execution of this Agreement or receipt of the County's written authorization to proceed, those services and work set forth in **Exhibit A**, which is attached hereto and, by this reference, made a part hereof.

1.2 All documents, drawings and written work product prepared or produced by the Consultant under this Agreement, including without limitation electronic data files, are the property of the Consultant; provided, however, the County shall have the right to reproduce, publish and use all such work, or any part thereof, in any manner and for any purposes whatsoever and to authorize others to do so. If any such work is copyrightable, the Consultant may copyright the same, except that, as to any work which is copyrighted by the Consultant, the County reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, and use such work, or any part thereof, and to authorize others to do so. The County shall defend, indemnify and hold harmless the Consultant and its officers, employees, agents, representatives, subcontractors and consultants from and against all claims, damages, losses, judgments, liabilities, expenses and other costs, arising out of or resulting from the County's reuse of the documents and drawings prepared by the Consultant under this Agreement.

1.3 Services and work provided by the Consultant under this Agreement will be performed in a timely manner in accordance with a schedule of work set forth in Exhibit A. If there is no schedule, the hours and times for completion of said services and work are to be set by the Consultant; provided, however, that such schedule is subject to review by and concurrence of the County.

1.4 The Consultant shall provide services and work under this Agreement consistent with the requirements and standards established by applicable federal, state and county laws, ordinances, regulations and resolutions. The Consultant represents and warrants that it will perform its work in accordance with generally accepted industry standards and practices for the profession or professions that are used in performance of this Agreement and that are in effect at the time of performance of this Agreement. Except for that representation and any representations made or contained in any proposal submitted by the Consultant and any reports or opinions prepared or issued as part of the work performed by the Consultant under this Agreement, Consultant makes no other warranties, either express or implied, as part of this Agreement.

1.5 If the Consultant deems it appropriate to employ a consultant, expert or investigator in connection with the performance of the services under this Agreement, the Consultant will so advise the County and seek the County's prior approval of such employment. Any consultant, expert or investigator employed by the Consultant will be the agent of the Consultant and not the County.

## 2. Consideration

2.1 The Consultant shall be compensated on either a time and materials basis or a lump sum basis, as provided in Exhibit A attached hereto.

2.2 Except as expressly provided in this Agreement, Consultant shall not be entitled to nor receive from County any additional consideration, compensation, salary, wages or other type of remuneration for services rendered under this Agreement, including, but not limited to, meals, lodging, transportation, drawings, renderings or mockups. Specifically, Consultant shall not be entitled by virtue of this Agreement to consideration in the form of overtime, health insurance benefits, retirement benefits, disability retirement benefits, sick leave, vacation time, paid holidays or other paid leaves of absence of any type or kind whatsoever.

2.3 The Consultant shall provide the County with a monthly statement for services provided during the billing period, which the County shall pay in full within thirty (30) days of the date each invoice is approved by the County. The statement will generally describe the services performed, the applicable rate or rates, the basis for the calculation of fees, and a reasonable itemization of costs. All invoices for services provided shall be forwarded in the same manner and to the same person and address that is provided for service of notices herein.

2.4 County will not withhold any Federal or State income taxes or Social Security tax from any payments made by County to Consultant under the terms and conditions of this Agreement. Payment of all taxes and other assessments on such sums is the sole responsibility of Consultant. County has no responsibility or liability for payment of Consultant's taxes or assessments.

## 3. Term

3.1 The terms of this Agreement shall be from January 1, 2015 through June 30, 2015 unless terminated pursuant to sections 3.2, 3.3, or 3.4 of this Agreement. This Agreement will not automatically renew but may be renewed for two (2) one-year terms by mutual written agreement of the parties. In no case shall the renewal extend beyond June 30, 2017.

3.2 Should either party default in the performance of this Agreement or materially breach any of its provisions, the other party, at that party's option, may terminate this Agreement by giving written notification to the other party.

3.3 Either party may terminate this Agreement for convenience and without cause upon providing thirty (30) days prior written notice to the other party. Termination of this Agreement shall not affect the County's obligation to pay for all fees earned and reasonable costs necessarily incurred by the Consultant as provided in Section 2 herein, subject to any applicable setoffs.

3.4 This Agreement shall terminate automatically on the occurrence of (a) bankruptcy or insolvency of either party, or (b) sale of Consultant's business.

## 4. Required Licenses, Certificates and Permits

Any licenses, certificates or permits required by the federal, state, county or municipal governments for Consultant to provide the services and work described in Exhibit A must be procured by Consultant and be valid at the time Consultant enters into this Agreement. Further, during the term of this Agreement,

Consultant must maintain such licenses, certificates and permits in full force and effect. Licenses, certificates and permits may include but are not limited to driver's licenses, professional licenses or certificates and business licenses. Such licenses, certificates and permits will be procured and maintained in force by Consultant at no expense to the County.

5. Office Space, Supplies, Equipment, Etc.

Unless otherwise provided in this Agreement, Consultant shall provide such office space, supplies, equipment, vehicles, reference materials and telephone service as is necessary for Consultant to provide the services under this Agreement. The Consultant--not the County--has the sole responsibility for payment of the costs and expenses incurred by Consultant in providing and maintaining such items.

6. Insurance

6.1 Consultant shall take out, and maintain during the life of this Agreement, insurance policies with coverage at least as broad as follows:

6.1.1 General Liability. Commercial general liability insurance covering bodily injury, personal injury, property damage, products and completed operations with limits of no less than One Million Dollars (\$1,000,000) per incident or occurrence. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to any act or omission by Consultant under this Agreement or the general aggregate limit shall be twice the required occurrence limit.

6.1.2 Professional Liability Insurance. Professional errors and omissions (malpractice) liability insurance with limits of no less than One Million Dollars (\$1,000,000) aggregate. Such professional liability insurance shall be continued for a period of no less than one year following completion of the Consultant's work under this Agreement.

6.1.3 Automobile Liability Insurance. If the Consultant or the Consultant's officers, employees, agents or representatives utilize a motor vehicle in performing any of the work or services under this Agreement, owned/non-owned automobile liability insurance providing combined single limits covering bodily injury and property damage liability with limits of no less than One Million Dollars (\$1,000,000) per incident or occurrence.

6.1.4 Workers' Compensation Insurance. Workers' Compensation insurance as required by applicable law.

6.2 Any deductibles, self-insured retentions or named insureds must be declared in writing and approved by County. At the option of the County, either: (a) the insurer shall reduce or eliminate such deductibles, self-insured retentions or named insureds, or (b) the Consultant shall provide a bond, cash, letter of credit, guaranty or other security satisfactory to the County guaranteeing payment of the self-insured retention or deductible and payment of any and all costs, losses, related investigations, claim administration and defense expenses. The County, in its sole discretion, may waive the requirement to reduce or eliminate deductibles or self-insured retentions, in which case, the Consultant agrees that it will be responsible for and pay any self-insured retention or deductible and will pay any and all costs, losses, related investigations, claim administration and defense expenses related to or arising out of the Consultant's defense and indemnification obligations as set forth in this Agreement.

6.3 The Consultant shall obtain a specific endorsement to all required insurance policies, except Workers' Compensation insurance and Professional Liability insurance, naming the County and its officers, officials and employees as additional insureds regarding: (a) liability arising from or in connection with the performance or omission to perform any term or condition of this Agreement by or on behalf of the



Consultant, including the insured's general supervision of its subcontractors; (b) services, products and completed operations of the Consultant; (c) premises owned, occupied or used by the Consultant; and (d) automobiles owned, leased, hired or borrowed by the Consultant. For Workers' Compensation insurance, the insurance carrier shall agree to waive all rights of subrogation against the County its officers, officials and employees for losses arising from the performance of or the omission to perform any term or condition of this Agreement by the Consultant.

6.4 The Consultant's insurance coverage shall be primary insurance regarding the County and County's officers, officials and employees. Any insurance or self-insurance maintained by the County or County's officers, officials and employees shall be excess of the Consultant's insurance and shall not contribute with Consultant's insurance.

6.5 Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the County or its officers, officials and employees.

6.6 The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

6.7 Each insurance policy required by this section shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party except after thirty (30) days' prior written notice has been given to County. The Consultant shall promptly notify, or cause the insurance carrier to promptly notify, the County of any change in the insurance policy or policies required under this Agreement, including, without limitation, any reduction in coverage or in limits of the required policy or policies.

6.8 Insurance shall be placed with California admitted insurers (licensed to do business in California) with a current rating by Best's Key Rating Guide of no less than A-VII; provided, however, that if no California admitted insurance company provides the required insurance, it is acceptable to provide the required insurance through a United States domiciled carrier that meets the required Best's rating and that is listed on the current List of Eligible Surplus Line Insurers maintained by the California Department of Insurance.

6.9 Consultant shall require that all of its subcontractors are subject to the insurance and indemnity requirements stated herein, or shall include all subcontractors as additional insureds under its insurance policies.

6.10 At least ten (10) days prior to the date the Contractor begins performance of its obligations under this Agreement, Contractor shall furnish County with certificates of insurance, and with original endorsements, showing coverage required by this Agreement, including, without limitation, those that verify coverage for subcontractors of the Contractor. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements shall be received and, in County's sole and absolute discretion, approved by County. County reserves the right to require complete copies of all required insurance policies and endorsements, at any time.

6.11 The limits of insurance described herein shall not limit the liability of the Consultant and Consultant's officers, employees, agents, representatives or subcontractors.

## 7. Defense and Indemnification

7.1 To the fullest extent permitted by law, Consultant shall indemnify, hold harmless and defend the County and its agents, officers and employees from and against all claims, damages, losses, judgments, liabilities, expenses and other costs, including litigation costs and attorneys' fees, arising out of, resulting from, or in connection with the performance of this Agreement by the Consultant or Consultant's officers, employees, agents, representatives or subcontractors and resulting in or attributable

to personal injury, death, or damage or destruction to tangible or intangible property, including the loss of use. Notwithstanding the foregoing, Consultant's obligation to indemnify the County and its agents, officers and employees for any judgment, decree or arbitration award shall extend only to the percentage of negligence or responsibility of the Consultant in contributing to such claim, damage, loss and expense.

7.2 Consultant's obligation to defend, indemnify and hold the County and its agents, officers and employees harmless under the provisions of this paragraph is not limited to or restricted by any requirement in this Agreement for Consultant to procure and maintain a policy of insurance.

7.3 To the fullest extent permitted by law, the County shall indemnify, hold harmless and defend the Consultant and its officers, employees, agents, representatives or subcontractors from and against all claims, damages, losses, judgments, liabilities, expenses and other costs, including litigation costs and attorney's fees, arising out of or resulting from the negligence or wrongful acts of County and its officers or employees.

7.4 Subject to the limitations in 42 United States Code section 9607 (e), and unless otherwise provided in a Scope of Services approved by the parties:

(a) Consultant shall not be responsible for liability caused by the presence or release of hazardous substances or contaminants at the site, unless the release results from the negligence of Consultant or its subcontractors;

(b) No provision of this Agreement shall be interpreted to permit or obligate Consultant to assume the status of "generator," "owner," "operator," "arranger," or "transporter" under state or federal law; and

(c) At no time, shall title to hazardous substances, solid wastes, petroleum contaminated soils or other regulated substances pass to Consultant.

## 8. Status of Consultant

8.1 All acts of Consultant and its officers, employees, agents, representatives, subcontractors and all others acting on behalf of Consultant relating to the performance of this Agreement, shall be performed as independent contractors and not as agents, officers or employees of County. Consultant, by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of County. Except as expressly provided in Exhibit A, Consultant has no authority or responsibility to exercise any rights or power vested in the County. No agent, officer or employee of the County is to be considered an employee of Consultant. It is understood by both Consultant and County that this Agreement shall not be construed or considered under any circumstances to create an employer-employee relationship or a joint venture.

8.2 At all times during the term of this Agreement, the Consultant and its officers, employees, agents, representatives or subcontractors are, and shall represent and conduct themselves as, independent contractors and not employees of County.

8.3 Consultant shall determine the method, details and means of performing the work and services to be provided by Consultant under this Agreement. Consultant shall be responsible to County only for the requirements and results specified in this Agreement and, except as expressly provided in this Agreement, shall not be subjected to County's control with respect to the physical action or activities of Consultant in fulfillment of this Agreement. Consultant has control over the manner and means of performing the services under this Agreement. If necessary, Consultant has the responsibility for employing other persons or firms to assist Consultant in fulfilling the terms and obligations under this Agreement.

8.4 Consultant is permitted to provide services to others during the same period service is provided to County under this Agreement; provided, however, such services do not conflict directly or indirectly with the performance of the Consultant's obligations under this Agreement.

8.5 If in the performance of this Agreement any third persons are employed by Consultant, such persons shall be entirely and exclusively under the direction, supervision and control of Consultant. All terms of employment including hours, wages, working conditions, discipline, hiring and discharging or any other term of employment or requirements of law shall be determined by the Consultant.

8.6 It is understood and agreed that as an independent contractor and not an employee of County, the Consultant and the Consultant's officers, employees, agents, representatives or subcontractors do not have any entitlement as a County employee, and, except as expressly provided for in any Scope of Services made a part hereof, do not have the right to act on behalf of the County in any capacity whatsoever as an agent, or to bind the County to any obligation whatsoever.

8.7 It is further understood and agreed that Consultant must issue W-2 forms or other forms as required by law for income and employment tax purposes for all of Consultant's assigned personnel under the terms and conditions of this Agreement.

8.8 As an independent contractor, Consultant hereby indemnifies and holds County harmless from any and all claims that may be made against County based upon any contention by any third party that an employer-employee relationship exists by reason of this Agreement.

## 9. Records and Audit

9.1 Consultant shall prepare and maintain all writings, documents and records prepared or compiled in connection with the performance of this Agreement for a minimum of four (4) years from the termination or completion of this Agreement. This includes any handwriting, typewriting, printing, photostatic, photographing and every other means of recording upon any tangible thing, any form of communication or representation including letters, words, pictures, sounds or symbols or any combination thereof.

9.2 Any authorized representative of County shall have access to any writings as defined above for the purposes of making audit, evaluation, examination, excerpts and transcripts during the period such records are to be maintained by Consultant. Further, County has the right at all reasonable times to audit, inspect or otherwise evaluate the work performed or being performed under this Agreement.

## 10. Confidentiality

The Consultant agrees to keep confidential all information obtained or learned during the course of furnishing services under this Agreement and to not disclose or reveal such information for any purpose not directly connected with the matter for which services are provided.

## 11. Nondiscrimination

During the performance of this Agreement, Consultant and its officers, employees, agents, representatives or subcontractors shall not unlawfully discriminate in violation of any federal, state or local law, rule or regulation against any employee, applicant for employment or person receiving services under this Agreement because of race, religion, color, national origin, ancestry, physical or mental disability, medical condition (including genetic characteristics), marital status, age, political affiliation, sex or sexual orientation. Consultant and its officers, employees, agents, representatives or subcontractors shall comply with all applicable Federal, State and local laws and regulations related to non-discrimination and equal opportunity, including without limitation the County's nondiscrimination policy; the Fair Employment and Housing Act (Government Code sections 12900 et seq.); California Labor Code sections 1101, 1102 and

1102.1; the Federal Civil Rights Act of 1964 (P.L. 88-352), as amended; and all applicable regulations promulgated in the California Code of Regulations or the Code of Federal Regulations.

12. Assignment

This is an agreement for the services of Consultant. County has relied upon the skills, knowledge, experience and training of Consultant and the Consultant's firm, associates and employees as an inducement to enter into this Agreement. Consultant shall not assign or subcontract this Agreement without the express written consent of County. Further, Consultant shall not assign any monies due or to become due under this Agreement without the prior written consent of County.

13. Waiver of Default

Waiver of any default by either party to this Agreement shall not be deemed to be waiver of any subsequent default. Waiver or breach of any provision of this Agreement shall not be deemed to be a waiver of any other or subsequent breach, and shall not be construed to be a modification of the terms of this Agreement unless this Agreement is modified as provided below.

14. Notice

Any notice, communication, amendment, addition or deletion to this Agreement, including change of address of either party during the term of this Agreement, which Consultant or County shall be required or may desire to make shall be in writing and may be personally served or, alternatively, sent by prepaid first class mail to the respective parties as follows:

To County: Stanislaus County Purchasing Agent  
1010 10<sup>th</sup> Street, Suite 5400  
Modesto, CA 95254

To Consultant: HUB International, Inc.  
4800 Stockdale Highway  
Suite 201  
Bakersfield, CA 93309

15. Conflicts

Consultant agrees that it has no interest and shall not acquire any interest direct or indirect which would conflict in any manner or degree with the performance of the work and services under this Agreement.

16. 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.

17. 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.

18. Entire Agreement

This Agreement supersedes any and all other agreements, either oral or in writing, between any of the parties herein with respect to the subject matter hereof and contains all the agreements between the parties with respect to such matter. Each party acknowledges that no representations, inducements, promises or agreements, oral or otherwise, have been made by any party, or anyone acting on behalf of any party, which is not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding.

19. Advice of Attorney

Each party warrants and represents that in executing this Agreement, it has received independent legal advice from its attorneys or the opportunity to seek such advice.

20. Construction

Headings or captions to the provisions of this Agreement are solely for the convenience of the parties, are not part of this Agreement, and shall not be used to interpret or determine the validity of this Agreement. Any ambiguity in this Agreement shall not be construed against the drafter, but rather the terms and provisions hereof shall be given a reasonable interpretation as if both parties had in fact drafted this Agreement.

21. Governing Law and Venue

This Agreement shall be deemed to be made under, and shall be governed by and construed in accordance with, the laws of the State of California. Any action brought to enforce the terms or provisions of this Agreement shall have venue in the County of Stanislaus, State of California.

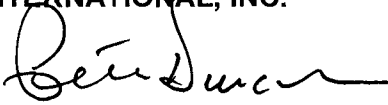
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IN WITNESS WHEREOF, the parties or their duly authorized representatives have executed this Agreement on the day and year first hereinabove written.

**COUNTY OF STANISLAUS**

**HUB INTERNATIONAL, INC.**

By: \_\_\_\_\_  
Keith D. Boggs, Assistant Executive Officer,  
GSA Director/Purchasing Agent

By:   
Name: PETER DUNCAN  
Title: EXECUTIVE VICE PRESIDENT

"County"

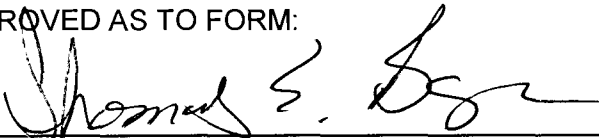
"Consultant"

APPROVED: BOS Resolution # \_\_\_\_\_

APPROVED AS TO CONTENT:  
Chief Executive Office, Risk Management Division

By:   
Jody Hayes, Assistant Executive Officer

APPROVED AS TO FORM:

By:   
Thomas Boze, County Counsel

## EXHIBIT A

### A. SCOPE OF WORK

The Consultant shall provide services under this Agreement as follows:

1. Provide key plan administrative, financial and clinical guidance, service, support, management, data review, and information management for all plan components.
2. Lead and manage monthly health benefit review meetings and any other meetings related to the performance of the health benefit plan, its vendors, members, providers or other plan stakeholders.
3. Assist the County in measuring and monitoring the clinical performance of its health benefit plans and develop strategies for:
  - a. improvement of member health;
  - b. improvement of quality of healthcare delivered to plan participants;
  - c. reducing the amount of unnecessary and inappropriate healthcare delivered to plan participants; and
  - d. clinical reporting.
4. Assist County with the identification and selection of vendors of employee benefit programs, including but not limited to:
  - a. Preparation and distribution of Requests for Proposal (RFP) and any other related processes such as Requests for Information (RFI);
  - b. Review, evaluation and recommendation regarding RFP, RFI, or other related services received by the County regarding employee benefit programs;
  - c. Assist the County in the preparation and execution of legal documents and contracts related to the implementation of a new vendor or service provider;
  - d. Provide cost estimates and analysis of proposed benefit programs and proposed changes in existing benefit programs, including the use, when specifically authorized by County, of sub-contracted professional services including, but not necessarily limited to:
    - i. General benefit consulting;
    - ii. Actuarial services; and
    - iii. Performance and/or financial audits.
5. Assist the County in investigation and resolution of disputes, both formal and informal, with vendors, providers of services, program participants, and employee or retiree representatives;

6. Advise the County regarding compliance with federal and state regulations concerning employee benefit programs;
7. Assist the County with the design of employee and retiree benefit programs, including but not necessarily limited to:
  - a. Health, prescription drug, dental, vision, life, disability, and catastrophic disease insurance;
  - b. Employee Wellness Programs;
  - c. Employee Assistance Programs; and
  - d. Benefit Program.
8. Work with other County vendors and Consultant's sub-contractors to provide detailed claim analysis on a monthly basis, including all financial and clinical data pertaining to plan performance, healthcare delivery and administrative functions.
9. Participate in meetings with and, as requested, make presentations to employees and/or retirees, their representatives, management staff, and County Board of Supervisors regarding benefit plans.
10. Maintain County compliance with federal and state regulations concerning employee benefit programs, including, but not limited to the Patient Protection and Affordable Care Act, COBRA, HIPAA, and ERISA.
11. Provide written reports as requested by the County regarding any activity covered herein.

**B. COMPENSATION**

1. The County shall pay Consultant the sum of \$13,750 monthly for employee benefit consulting services, commencing with the first day of this Agreement. In addition to the monthly compensation above, Consultant shall be reimbursed for the reasonable and necessary costs for any experts employed by Consultant pursuant to Section 1.5 of this Agreement for a total amount not to exceed \$10,000.
2. The parties hereto acknowledge that the maximum amount to be paid by the County for services provided under this Agreement from January 1, 2015 through June 30, 2015 shall not exceed \$92,500 including, without limitation, the cost of any subcontractors, existing staff when services rendered are not part of the existing scope of services, consultants, experts or investigators retained by the Consultant to perform or to assist in the performance of its work under this Agreement.
3. The Consultant may receive compensation from Ascendant Healthcare for its work with Ascendant on behalf of the County's stop loss insurance program, not to exceed the amount identified in the County's agreement with Ascendant.