



INDEPENDENT CITIES
RISK MANAGEMENT
AUTHORITY

www.icrma.org

REQUEST FOR PROPOSALS
PUBLIC ENTITY POOL
LIABILITY PROGRAM SERVICES

ELECTRONIC SUBMISSIONS ONLY TO

Kellie Murphy, General Counsel
Johnson Schachter & Lewis, a P.L.C.

kellie@jsl-law.com

DEADLINE FOR RESPONSE
September 25, 2020 – by 4:00 p.m. PT

18201 Von Karman, Suite 200
Irvine, CA 9261

I. Invitation & Overview

Invitation & Purpose

The Independent Cities Risk Management Authority (ICRMA) invites responses to this Request for Proposals (RFP) until **4:00 p.m. PT, September 25, 2020**.

The purpose of this RFP is to identify a provider for ICRMA's entire liability program oversight, management, and implementation needs. This RFP is being solicited in accordance with ICRMA policy and is intended to assess the professional, technical, and managerial qualifications of invited responding firms.

An award pursuant to this RFP need not be made based solely or primarily on the lowest cost. ICRMA will select the provider that best meets the needs of ICRMA in its sole discretion based on all relevant criteria, including but not limited to the criteria outlined and referenced herein.

The selected firm will be asked to commence work as soon as possible, **no later than January 1, 2021**.

Overview of ICRMA

ICRMA's mission is to be the risk management partner of choice for public entities in California, providing cost stabilization and effective risk solutions to members. We achieve this through:

- An active and proactive Board of Directors ("Board") that is willing to take ownership and make difficult decisions
- Providing ICRMA members a voice and an element of local control
- Long-term financial sustainability and deliberate financial decision making
- An Innovative, Proactive Risk Management Think Tank providing diverse expertise and responsive customer service
- Customization / Flexibility / Adaptability of service offerings

At its founding, ICRMA was a small, volunteer managed pool that focused on cost savings through joint purchase of insurance coverage. Since that time, it has evolved into a more complex, comprehensive risk management pool for its 16 members in Los Angeles, Orange, and San Bernardino counties (www.icrma.org/about/current-members/). Today, ICRMA's members pool resources to support liability, workers' compensation, property, and auto physical damage self-insurance programs. ICRMA also offers other programs such as earth movement and flood, crime, cyber, and terrorism. Its services are described at www.icrma.org/programs/ and www.icrma.org/services/.

ICRMA is accredited with excellence by the California Association of Joint Powers Authorities (www.caipa.org/accreditation).

Each member has one vote on the Board. Currently member cities select elected officials and/or staff as directors. Most who attend meetings are city staff with functions related to finance, human resources, or risk management. Members also participate within the organization by sitting on the Claims Committee and other ad hoc bodies. An overview of its meeting schedule is available at www.icrma.org/meetings/.

ICRMA does not current employ staff. Instead, it maintains service agreements with providers for administrative, finance, risk management, safety and loss prevention, workers' compensation oversight services, litigation management, and oversight of other vendor contracts. An overview of its current service providers is available at www.icrma.org/wp-content/uploads/ICRMA_Org_Chart_20190801.pdf.

Additional Resources

Responding firms are encouraged to familiarize themselves with ICRMA's position, audits, and policy documents as well as the standards and legal obligations to which it adheres, including but not limited to:

- Governing Policies & Documents www.icrma.org/about/governance-staffing/
- Financial Policies & Documents www.icrma.org/about/financial-information/
- Program Policies & Documents www.icrma.org/programs/
- League of California Cities Brown Act www.ca-ilg.org/sites/main/files/file-attachments/resources_26038.7456_OP_IV_reduced.pdf?1494977120

II. Scope of Service

This RFP seeks a provider for ICRMA's entire liability program oversight, management, and implementation needs. Specifically, ICRMA seeks a team, led by a Liability Program Manager and including both an Assistant Liability Program Manager and a Liability Claims Assistant, as well as any other personnel necessary to provide the required services.

- **General Requirement:** The team must understand public entity risk pooling, joint powers authorities, and complex claims and litigation management, and must be able to communicate clearly and effectively with the Board and administrative team. This includes timely, consistent, and collaborative communication with both.
- **Overarching Liability Program Direction & Management:** The team will provide oversight, direction, and management for the liability program in line with ICRMA's strategic priorities and governing documents, and provide recommendations for improvement.
- **Day-to-Day Liability Program Operations:** The team will provide day-to-day claims management, litigation management, TPA and data oversight, and related staffing as the functional equivalent of an in-house liability program department team.
- **Key Program Activity:**
 - Manage the integrity of, directly clean up, and reconcile monthly data feeds
 - Ensure [Litigation Management Policies & Procedures](#) (LMPP) and TPA standards compliance
 - Track claims progress and collaboratively manage all claims and litigation
 - Maximize the function of and troubleshoot with [Origami](#) and any other platforms in use
 - Maintain the defense panel and program maintenance tasks
 - Work collaboratively in all data presentation, research, and analysis

The scope of services described above represents an overview of the work anticipated and deliverables requested. The scope of service is further delineated in [Exhibit A to the Contract Template in Section V](#) as well as the resources listed in this RFP. The final scope of work will be discussed in detail with the selected provider to develop an agreed-upon scope of services that incorporates the proposed approach and ICRMA's objectives and monetary constraints. ICRMA may propose additional tasks as deemed necessary.

III. Qualifications, Conflicts & Selection Process

General Qualifications

Qualified service providers will have:

- A California presence as the base of operations for this work
- Demonstrable, comprehensive, and progressive experience in the relevant area
- A thorough understanding of all relevant industry standards and applicable legal standards
- Staff with professional credentials and/or certifications recognized in the industry
- Staff with experience and education similar to what would be expected of an in-house liability program team
- Sufficient internal capacity to guarantee seamless service regardless of internal turnover or client acquisition

The successful service provider must clearly communicate its understanding of the role and work expected. The successful service provider must understand their role as THE liability team. This is not a contract of tasks in response to assignments. It is critical that proposers understand the importance of:

- Proactive analysis, strategy development, and policy implementation resulting in timely and accurate work
- Clear communication that ensures ICRMA stakeholders not only receive but understand information
- Overall ownership and responsibility with respect to the work performed
- Technical expertise (e.g., unique needs of public entity pooling) and systems fluency (e.g., [Origami](#), [Legal-X](#))
- Flexibility to adapt to the annual ebb/flow of activity as well as periodic, unplanned needs

Specific Staffing Expectations

As previously mentioned, ICRMA does not currently employ staff. Instead, it maintains service agreements with providers for administrative, finance, risk management, safety and loss prevention, workers' compensation oversight services, litigation management, and oversight of other vendor contracts. An overview of its current service providers is available at www.icrma.org/wp-content/uploads/ICRMA_Org_Chart_20190801.pdf.

The goals listed in the scope of service and general qualifications above are of primary importance. The specific individuals proposed will be considered to be “Key Personnel” assigned to ICRMA under the contract. They will be expected to participate in the interview process. In addition, ICRMA will have the right to evaluate and to refuse any changes to this list. **All personnel must be independent as discussed herein.**

Role	Key Responsibilities	Desired Qualifications & Characteristics
Liability Program Manager (FT) <i>FULLY dedicated to ICRMA</i>	Program Direction Overarching direction and management <ul style="list-style-type: none"> • Policy/procedure recommendations and development • Guidance to members, ICRMA staff, and Board Litigation Management Complex case/litigation management (up to 80 files) <ul style="list-style-type: none"> • Collaborative defense assignment, strategy, budget, reserve • Participation in mediation, trials, etc. 	<ul style="list-style-type: none"> • Minimum 10 years of program and/or litigation management experience • Minimum 5 years in the public sector • Relevant degree (J.D. strongly preferred) • Demonstrable capacity in some or all of: <ul style="list-style-type: none"> ○ Public entity pooling ○ Insurance defense ○ Employment practices and liability ○ Police department/officer liability ○ Dangerous condition liability ○ Civil rights litigation ○ California courts and Federal courts ○ Mediation, ADR • Sees members as partners • Big picture, methodical thinker • Concise communicator • Persuasive but not argumentative, excels at bringing members along
Assistant Liability Program Manager (FT) <i>FULLY dedicated to ICRMA</i>	Day-to-Day Program Management <ul style="list-style-type: none"> • New claims and claim development tracking, reports and trends • File/data integrity (e.g., monthly reconciliation of data feeds) • LMPP, TPA and member oversight • Watch-lists and elevation of claims for higher attention • Excess and reinsurance reporting and communication • Active, but not complex litigation involvement 	<ul style="list-style-type: none"> • 5 years of claims management experience • Demonstrable capacity in some or all of the subject/experience areas listed above • Sees members as partners • Big picture, methodical thinker • Concise communicator • Persuasive but not argumentative, excels at bringing members along
Liability Claims Assistant (PT)	Program Maintenance <ul style="list-style-type: none"> • Day-to-day data management • Open claims and data tracking • Defense panel management and LMPP compliance tracking 	<ul style="list-style-type: none"> • 2 years of relevant experience • Demonstrable capacity in some or all of project management, data entry, and compliance • Proactive, self-starter • Highly detail-oriented, organized • Understands the power of good information

Ex Parte Communications

All inquiries related to this RFP are to be directed to kellie@jsl-law.com with “ICRMA Liability Program Services RFP Question” in the subject line. Any other contact with relevant entities (i.e., ICRMA, its contractors, its member cities, or their contractors) that is related to this RFP must be disclosed in the response. Direct lobbying and/or undisclosed communications may be cause for immediate rejection of a response.

Conflicts of Interest – Proposer Independence

Because of potential conflicts of interest, responders to this RFP are expected to be “independent” in regard to relevant entities (i.e., ICRMA, its contractors, its member cities or their contractors) OR disclose the relationship as outlined below. ***This expressly includes third-party claims administrators providing services to ICRMA members.***

In order to be “independent,” the responder (including affiliates, subsidiaries or parent company) should not:

- Be compensated by relevant entities as employees or independent contractors;
- Have their compensation determined by individuals who are compensated by relevant entities;
- Receive, directly or indirectly, material financial benefits from relevant entities; or
- Be related to or reside with anyone described above (e.g., spouse, sibling, parent or child).

If a responder is not independent as defined here, it must:

- Disclose the relationship(s) in the response
- Include a plan for segregating duties, staff, and data in order to mitigate any potential future conflict
- Immediately recuse/segregate relevant staff from any and all relevant discussions

Evaluation of Proposals

ICRMA will evaluate proposals on a fair, comprehensive, and qualitative basis. Evaluation may include any or all of the following: review of the response and related materials; interviews with personnel to be assigned; discussions with other clients; and due diligence regarding responding firm capacity. Evaluation will also include assessment of the following criteria:

- Responsiveness and timeliness in response
- Communication of an understanding of the overall program and services required
- Experience providing services to public entity self-insurance pools of similar size and objective
- Professional experience and qualifications of the individuals assigned to the account
- Fee structure along with commitment of adequate resources, staff, and time

ICRMA may request additional information or clarification from any responding firm or allow corrections of errors or omissions, augment the process with additional steps, or waive any requirements contained herein.

Disclaimers

At its sole discretion, ICRMA:

- Reserves the right to reject any and all responses, to waive any informalities or irregularities, and to make the selection among the responding firms as is deemed in the best interest of ICRMA; and
- May interview one or more responding firms to further assist in the review process.

ICRMA will award the contract at the Board’s sole discretion.

ICRMA is not liable for any costs incurred to prepare or present a response to this RFP. Responding firms are expected to fully inform themselves as to the conditions, requirements, and specifications before submitting proposals. Failure to do so will be at the responding firm’s own risk, and they cannot secure relief on the plea of error.

Submission & Questions

Responses to this RFP must be submitted to:

Kellie Murphy, ICRMA General Counsel, Johnson Schachter & Lewis, a P.L.C., at kellie@jsl-law.com by 4:00 p.m. PT, September 25, 2020 with “ICRMA Liability Program Services RFP Response” in the subject line

Direct all questions and/or requests for information to kellie@jsl-law.com with “ICRMA Liability Program Services RFP Question” in the subject line. They will be forwarded to the correct person for written or oral response as appropriate.¹

¹ *Again, note that any other contact with relevant entities (i.e., ICRMA, its contractors, its member cities, or their contractors, expressly including third-party claims administrators providing services to ICRMA members) that is related to this RFP must be disclosed in the response. Direct lobbying and/or undisclosed communications may be cause for immediate rejection of a proposal.*

Expected Timeline

ICRMA reserves the right to cancel/modify the following dates at any time.

- | | |
|---|--|
| • September 4, 2020 by 4:00 p.m. PT | Deadline for all RFP inquiries |
| • September 10, 2020 | Response to RFP inquiries available |
| • September 25, 2020 by 4:00 p.m. PT | Response Deadline |
| • October 13, 2020 | Video conference interviews – FIRM |
| • October/November 2020 | Selection, negotiation & execution of contract |
| | Contract commences as soon as possible, no later than January 1, 2021 |
| • December 31, 2020 | Current contract ends subject to possible aftercare agreements |

The interview date is FIRM. Should ICRMA want to interview respondents, such interviews will be held via video conference with ICRMA representatives on that date.

IV. Response Requirements

Responding firm submissions must include each of items in this section, presented with the headings and order below.

A. Cover Letter

Provide a cover letter signed by an individual with authority to bind the responding firm that includes the firm name, the person to contact regarding the response, email, phone number, and mailing address.

B. Service Proposal

Provide a detailed proposal for how you would meet the obligations of this RFP, including:

- Your approach for each relevant area of work with detailed work plan, identifying individuals assigned;
- The time you will dedicate to the work with guaranteed staffing levels expressed as FTEs;
- Your approach to client and member communication, including troubleshooting the contract;
- Resources, systems, and expertise you will make available to ICRMA; and
- Expected benefits to ICRMA of the above and how those benefits will be measured.

C. Specific Implementation Questions

- **Analysis:** We assume that you will have assessed ICRMA as you prepared your response. Please provide a brief summary of your findings and how you might enhance the strengths (or mitigate the weaknesses) that you see.
- **Transition:** The transition from the current service provider to its successor will be rapid. Please describe in detail how you would handle the transition and how soon you could begin, as well as:
 - Any issues you foresee for the transition whether for you, ICRMA, or the current service provider;
 - What you will need from the current service provider (e.g., data, analysis, documents, time); and
 - How you will handle the transition if some of that time, information, or analysis is not forthcoming.
- **Quality Control:** Accuracy and timeliness in all things are of the utmost importance to ICRMA. Please describe:
 - Processes you would use to ensure both for this account;
 - How you have handled missed deadlines before, what caused the problem, and what you learned; and
 - Your systems in place to verify data, and how you will handle any errors you find during the transition.
- **Independence:** If a responder is not independent as defined herein, describe all such internal or external relationship(s) and your plan for segregating duties, staff and data in order to mitigate potential future conflict.
- **Location:** If you are outside greater Los Angeles, describe how you will manage distance without negatively affecting service to ICRMA.

D. Compensation Proposal

The fee proposal must provide a total cost for completing ALL requirements of this RFP, including any transition costs. For example, if the team will need training through [Origami](#), that cost should be included. The compensation proposal must include the following:

- Detailed itemization of the:
 - Fee proposal (e.g. total number of hours at various hourly rates, etc.);
 - All-inclusive expense budget (e.g. direct/indirect expenses, overhead, travel, [Origami](#) training, etc.).
- Narrative describing your approach to:
 - Calculating the fees in your response (e.g., billable hours, multiplier on percentage of FTE, etc.);
 - Allocating costs in proposals (e.g. direct and indirect expenses, overhead, travel, etc.); and
 - Communicating fees or costs that arise in addition to those proposed.
- Narrative describing any benefits (e.g., bonuses, referral fees, commissions, etc. in addition to current salary) that any individuals (e.g., owners, partners, employees or independent contractors) in or associated with your firm, its departments, divisions, affiliates, subsidiaries or parent company might receive if your response is selected. Include one-time, recurring, and ongoing benefits.
- Requested payment terms:
 - Fee structure expressed as periodic payments and total payment over five (5) years;
 - Budget per scope of service category; and
 - Any discounts for prompt payment, though such discounts will not be considered in evaluating costs.

E. Firm Experience & Samples

- Provide a general overview of your firm, including name, date of formation, history, and organizational structure.
- Detail your experience providing these services in the pooled risk insurance context for joint powers authorities or other public agencies. Include pool names, approximate size (membership and assets), type of entity served by the pool and coverage provided. Provide a comprehensive client list for relevant entities located in California.
- List the enterprise technology/software systems your firm regularly uses, including your use of [Origami](#).
- Describe how your firm is different from similar firms, why your selection is the best decision for ICRMA, and how you will guarantee seamless and comprehensive service.
- Using the deliverables list in [Exhibit A to the Contract Template in Section V](#) as your guide, provide at least three samples of your work (including an analysis and a presentation; JPA samples preferred).

F. Disclosures

- Identify whether there is, or within the latest five (5) years has been, any litigation or governmental or regulatory action concluded, pending or threatened against your firm or its officers that might have a bearing on your firm's ability to provide services to ICRMA.
- Disclose and describe any *ex parte* communications, conflict of interest and/or lack of independence with respect to relevant entities sufficient to make the declarations that follow.

G. Declarations

By submitting a proposal, each proposer declares and warrants that:

- The offeror has read and agrees to comply with the requirements in this RFP.
- The offeror's response accurately describes the services and deliverables being offered.
- The offeror will sign or has stated exceptions for discussion as to the contract template and exhibits.
- The offeror can meet all insurance requirements or has stated exceptions for discussion.
- The offeror's response is not confidential and will be **held open until at least December 1, 2020**.
- No elected or appointed official, officer, or employee of ICRMA or its member cities has been or will be compensated, directly or indirectly, in connection with this contract or any work performed thereunder.
- All conflicts of interest that may precede or arise from awarding this contract (actual or perceived) have been disclosed in the response. The proposer has further disclosed any business in which proposer has a financial interest. If such financial interest results in income stemming from a contract or other working relationship with ICRMA member cities or entities involved in providing ICRMA services (expressly including third-party claims administrators providing services to ICRMA members), proposer must agree to provide periodic reports of such income in full disclosure of any financial gain realized directly or indirectly from the ICRMA-related business relationships.

V. Contract Information

Potential Contract Term

The initial term of the contract is expected to be **five (5) years commencing no later than January 1, 2020**. As appropriate and if desired by all parties, ICRMA would have the right to extend the contract for up to two additional one-year periods.

Contract Template

ICRMA intends that the contract template and exhibits that follow will, in substantial form, be the agreement entered into with the selected firm, but reserves the right to modify the agreement as necessary.

Liability Program Services AGREEMENT

THIS AGREEMENT is made and entered into December [REDACTED], 2020 (“**Effective Date**”) between Independent Cities Risk Management Authority (“**ICRMA**”), a Joint Powers Authority, and INSERT (“INSERT”), (collectively, the “**Parties**”) with services to commence January 1, 2021 (“**Service Date**”).

I. RECITALS

- A. ICRMA pools multiple risks (“**Risks**”) of various entities affiliated with ICRMA (“**Members**”).
- B. INSERT is engaged in the business of providing liability program, claims, and litigation management services to self-insured pools. INSERT desires to provide certain liability program, claims, and litigation management services to ICRMA as set forth herein, and ICRMA desires to have INSERT provide such services in accordance with the terms hereof.
- C. In consideration of the payments and agreements specified in the Agreement, INSERT shall perform “**Services**” pursuant to this Agreement as set out in Exhibit A and as required by the documents itemized in Exhibit B attached hereto (collectively, the “**Services**”) to ICRMA.

II. TERM & TERMINATION

A. TERM & RENEWAL

This Agreement shall commence on the Service Date for a term of five program years (defined as July 1 – June 30). Thereafter, and if mutually agreeable to the Parties, ICRMA has the right to extend the Agreement for up to two additional one-year periods, exercisable by ICRMA by notifying INSERT of such extension prior to the anniversary date. The Agreement may be terminated pursuant to II. Term & Termination, Section B of this Agreement.

B. TERMINATION

- 1) **Notice.** Either Party may terminate the Agreement at any time effective upon no less than one hundred twenty (120) days following the date of written notice.
- 2) **Transition Obligations.** In the event of termination, INSERT will assist ICRMA in arranging a smooth transition to another company or staff as directed by the Board. Ideally this will be managed during an overlapping transition period before effective date for termination of this agreement. If that is not possible, INSERT shall assist in the transition for at least ninety (90) days following the effective date of termination.

INSERT shall transfer any data, reports, documents or other materials prepared or obtained in connection with this Agreement that may be in INSERT's possession to ICRMA in a mutually agreed format by the effective date of termination.

- 3) **Compensation Obligations.** In the event this Agreement is terminated prior to the expiration of the original term or any renewal term, INSERT shall be entitled to, and ICRMA shall pay earned compensation for Services provided through the effective date of termination **UNLESS** such termination was caused by a breach of this Agreement by

INSERT or any other conduct constituting cause under this Agreement. In such event ICRMA may withhold payments pending resolution of any outstanding issues between ICRMA and INSERT.

- 4) **Termination for Cause by Either Party.** This Agreement may also be terminated by either Party, for cause, upon giving to the other not less than ninety (90) days prior written notice of its election to terminate the Agreement for cause, which notice shall specify the particular cause and the facts and circumstances justifying the termination of the Agreement for cause.

For purposes of this paragraph, the following shall justify termination of the Agreement for cause by INSERT: violation by ICRMA of duties enumerated in to **III. Agreement, Section D. Obligations of ICRMA** of this Agreement.

For purposes of this paragraph, the following shall justify termination for cause by ICRMA:

- Mishandling of ICRMA’s funds by any employee of INSERT;
- Any intentional misrepresentation or fraud by any employee of INSERT in connection with the performance of INSERT’s duties under this Agreement;
- The commission of any illegal acts or omissions by any employee of INSERT in relation to the performance of duties under this Agreement;
- A material breach of this Agreement or habitual neglect of or failure to satisfactorily perform any duty or duties by any employee of INSERT in the performance of this Agreement; or
- The failure to fill a vacancy among key ICRMA personnel after due notice and opportunity to find a qualified person.

ICRMA’s authority to approve, amend and/or terminate this Agreement shall be as described in its **Governing Documents** and placed on appropriate agendas per the notice requirements of the **California Government Code**.

C. NOTICES

Except as may otherwise be required by law, any notice to be given pursuant to this agreement shall be in writing and shall be personally delivered, sent by facsimile transmission, sent by electronic mail, or sent by first class mail, postage pre-paid and addressed as follows:

If to INSERT:

Attn: INSERT CONTACT
INSERT COMPANY; ADDRESS

If to ICRMA:

Attn: Nick Kimball, ICRMA Board President
City
Address
Address
Email

Attn: Kellie Murphy, ICRMA General Counsel
Johnson Schachter & Lewis, a P.L.C.
2180 Harvard Street, Suite 560
Sacramento, CA 95815
kellie@jsl-law.com

Should the person holding any of the above positions change during the course of this Agreement, the notice requirement for that party will shift *ex officio* to the office address of the current holder of the position.

Notice delivered personally or successfully sent by facsimile transmission or electronic mail is deemed to be received upon receipt. Notice sent by first-class mail shall be deemed received on the fourth day after the date of mailing. Either party may change the address to which notice is to be given by providing written notice pursuant to this section.

III. AGREEMENT

A. SCOPE OF AGREEMENT

ICRMA enters into this Agreement with INSERT for the purpose of having INSERT perform and conduct the overall and day-to-day liability program, claims, and litigation management services of ICRMA’s programs of insurance, self-

insurance, and risk management, as described in this Agreement including [Exhibit A](#). All such Services shall be provided in accordance with the documents itemized in [Exhibit B](#) attached hereto.

B. COMPENSATION

- 1) **Fees.** [INSERT](#) agrees to perform the Services set forth in this Agreement for a fee as set forth in [Exhibit D](#) attached hereto. Adjustments to this fee require modification of this Agreement.
- 2) **Additional Services or Programs.** If ICRMA requests services that are not covered by this Agreement, or are beyond the scope described in [Exhibit A](#), such services will be billed as negotiated at the time. Negotiated fees shall be commensurate with similar fees then in effect for other clients of [INSERT](#) and payable as negotiated.

Prior to commencing any such services, [INSERT](#) shall notify the ICRMA Executive Director in writing describing the scope of work and the costs for the extra services and setting forth the firm, not-to-exceed, estimate of all time and materials, including all expenses as well as any changes to the [INSERT](#) services fee for the extra work. ICRMA shall have no obligation to pay for extra services by [INSERT](#) until after their approval as required by ICRMA's then current **Governing Documents**.

- 3) **Payment.** The fees to perform the Services in this Agreement will be invoiced in installments as set forth in [Exhibit D](#) attached hereto.

C. OBLIGATIONS OF [INSERT](#)

[INSERT](#) will provide the Services set out on [Exhibit A](#) and as required by the documents itemized in [Exhibit B](#) attached hereto to ICRMA. [INSERT](#) will use its best efforts to provide such services on ICRMA's behalf. In so doing:

- 1) **Performance Evaluation.** [INSERT](#) agrees to be evaluated by performance measures jointly developed and agreed upon. Such performance measures are appended to this Agreement. Evaluation will be ongoing, and will include at a minimum evaluation within six months from the Service Date and annually.
- 2) **General Authority.** [INSERT](#) shall have the authority to conduct the liability program, claims, and litigation management of ICRMA in carrying out the programs authorized by the Board, in accordance with ICRMA's strategic priorities and governing documents, and under the direction of the ICRMA administrative team and Board. Though [INSERT](#) shall report directly to the ICRMA Board, its team shall work in close cooperation with ICRMA's Executive Director.
- 3) **Ethics & Conflict of Interest.** [INSERT](#) shall conduct its business so as to fulfill all legal and ethical requirements and standards of the industry and the State of California, and shall place the best interests of ICRMA ahead of any other concerns in the provision of Service under this Agreement. To this end, [INSERT](#):
 - a. Warrants that it will adhere to its ethical obligations to ICRMA to deliver honest, transparent, competitive, and meaningful service and advice;
 - b. Does not, to the best of its knowledge as of the signing of this Agreement, have a conflict of interest in carrying out the provisions of this Agreement;
 - c. Shall make every good faith attempt to avoid even the appearance of a conflict of interest between [INSERT](#), ICRMA, and any of ICRMA's contractors, member cities, or member cities' contractors, including but not limited to third-party claims administrators providing services to ICRMA members), or provider of any insurance product or Service, and will promptly notify ICRMA of any real or potential conflict of interest;
 - d. Agrees to provide ICRMA with a copy of [INSERT](#)'s most recent Ethics Statement or Code, to be updated as necessary, or make [INSERT](#)'s Compliance Statement available on [INSERT](#)'s website; and
 - e. Acknowledges the mutual trust and confidence by both Parties, and that all actions of [INSERT](#) under this Agreement shall be for the specific benefit of ICRMA and its Program as a whole.

- 4) **Disaster Continuity.** INSERT agrees to establish, implement, and maintain a Disaster Recovery and Staffing Plan to secure, and if necessary, restore information, physical and electronic data that may be in INSERT's possession, and restore system access and service in the event of security breach, force majeure, disease, or natural disaster. (Since INSERT agrees that all data, reports, documents or other materials shall be maintained at all times in ICRMA approved systems, it should never have offline data to restore.) In addition, INSERT will make commercially reasonable efforts to ensure that, at all times, it has a sufficient number of trained personnel on hand to meet its obligations under this Agreement during any such event.

D. OBLIGATIONS OF ICRMA

In exchange for Services provided, ICRMA shall pay INSERT a fee per the provisions of **III. Agreement, Section B. Compensation** of this Agreement and **Exhibit D** attached hereto. In so doing ICRMA shall:

- 1) Require member agencies to provide on a timely basis any information required by INSERT to carry out the duties pursuant to this Agreement; and
- 2) Perform the obligations ICRMA has agreed to perform under this Agreement and pay INSERT's billings in a timely manner.

In addition, the Parties agree that, except as otherwise provided herein, ICRMA shall not be obligated for any expense incurred by INSERT in rendering Services, or by engaging in any other transaction or conduct arising out of this Agreement.

E. DISCLOSURES

- 1) **Disclaimer of Guarantee.** INSERT has made no promise or guarantee to ICRMA about the outcome of ICRMA's matters, and nothing in this Agreement shall be construed as such a promise or guarantee. However, INSERT, guarantees and warrants that the work shall be performed and completed in accordance with generally accepted industry standards, practices, and principles applicable to the work.
- 2) **Practice of Law.** It is understood and agreed that INSERT will not perform, and ICRMA will not request performance of, any services which may constitute the unauthorized practice of law.
- 3) **Addition of Members.** Nothing in this Agreement shall prevent ICRMA from adding new members, or having members withdraw.
- 4) **Further Assurances.** Each party agrees to execute any additional documents and to perform any further acts that may be reasonably necessary to affect the purposes of this Agreement

F. MUTUAL OBLIGATIONS

1) Ownership of Records and Documents

The Parties shall each maintain normal business records related to this Agreement.

- a. **ICRMA Ownership.** INSERT agrees that all data, reports, documents or other materials produced in whole or in part under this Agreement are and shall remain the property of ICRMA.

All such data, reports, documents or other materials shall be maintained in ICRMA approved systems (**Origami** for claims, **Intacct** for financial, **Bottomline**, website platform and cloud-based document management), and none shall be subject to an application for copyright by or on behalf of INSERT.

INSERT agrees to keep all such material confidential and not to reproduce, disclose, or disseminate the material or the information contained therein to third parties without the prior written consent of ICRMA or under the following circumstances when in communication with ICRMA General Counsel:

- i. INSERT is required by law, regulation, or pursuant to any subpoena, to disclose such information;
- ii. The disclosure of such information is, in the good faith discretion of INSERT, necessary or appropriate to any civil litigation or arbitration commenced against ICRMA;

- iii. The disclosure of such information is, in the good faith discretion of **INSERT**, necessary and appropriate to the discharge by **INSERT** of its duties pursuant to this Agreement including, without limitation, the provision of customary underwriting information to insurers; or
- iv. Such information, without any act by **INSERT**, is otherwise available to the public.

Upon termination of this Agreement for any reason, **INSERT** shall immediately return all such data, material, and any copies thereof, to ICRMA in a mutually agreed format. **INSERT** may maintain copies of data and documents to meet compliance and documentation requirements.

- b. **INSERT Ownership.** While ICRMA agrees that **INSERT** remains owner of proprietary procedures and methods of administration developed prior to this agreement, ICRMA maintains ownership of all products, cost allocation methodologies, formulas, files, records, computations, studies and other data, prepared or obtained in connection with this Agreement.

Further in the event of termination of this Agreement, as to any information or methodology described in this part b, which ICRMA shall have incorporated into its operations so that it would cause undue hardship to ICRMA if it were forced to cease using that information or methodology, Parties shall identify in writing any such specific information or methodology prior to the effective date of termination. ICRMA shall have a right to continue to use such information or methodology as part of its operations to the extent it has been used prior to the termination.

While this Agreement is in effect, ICRMA may use any material prepared or use work performed by **INSERT** pursuant to this Agreement, including computer software, in any manner, which ICRMA and its members deems proper without additional compensation. **INSERT** shall have no responsibility or liability for any revisions, changes, or corrections made by ICRMA, or any use or reuse pursuant to this paragraph unless **INSERT** accepts such responsibility in writing.

All right, title and interest in all intellectual property conceived or developed in the course of **INSERT**'s work for ICRMA under this Agreement shall be the property of ICRMA and its members. As used herein, the term "intellectual property" includes, but is not limited to, all inventions, patents and copyrightable material.

INSERT will abide by applicable public information disclosure requirements of the State of California, including but limited to the [Ralph M. Brown Act \(Government Code Section 54950 et. seq.\)](#).

2) Indemnification

- a. **INSERT to ICRMA.** **INSERT** agrees to indemnify, protect, save, and keep harmless ICRMA from any and all loss, cost, damage, or exposure arising from:
 - i. The negligent acts or omissions of **INSERT** provided that, **INSERT** shall be liable only for actual damages incurred by ICRMA or its Members, and shall not be liable for any indirect, consequential or punitive damages.
 - ii. **INSERT** shall also hold ICRMA harmless against any liability that it may incur toward **INSERT**'s employees, including, but not limited to liability for payment of workers compensation benefits.
- b. **ICRMA to INSERT.** ICRMA agrees to indemnify, protect, save, and keep harmless **INSERT**, its affiliates, and subsidiaries, from any and all loss, cost, damage, or expense arising from:
 - i. Any financial obligation to pay premiums to any insurer, excess insurer, or reinsurer, or provide funds for any payments due from ICRMA. However, **INSERT** shall remain responsible for properly remitting funds received from ICRMA or insurer to the appropriate party;
 - ii. The legality or validity of the operations, organization, or structure of ICRMA or any Member;
 - iii. The negligent acts or omissions of ICRMA or any third party consultants retained by ICRMA which cause injury or damage to **INSERT**. Without limiting the foregoing, ICRMA shall be liable only for actual

damages incurred by **INSERT**, and shall not be liable for indirect, consequential or punitive damages; and

- iv. Any acts or omissions of ICRMA or any third party consultants retained by ICRMA, which occurred prior to the Effective Date, regardless of negligence or fault. However, this obligation shall not apply to any failure or alleged failure of **INSERT** to detect or mitigate harm or loss arising out of an act or omission even if that act or omission took place prior to the Effective Date.

3) Insurance & Bond

Consistent with ICRMA’s Contractual Risk Transfer Manual, **INSERT** shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by **INSERT**, its agents, representatives, or employees. In the alternative, subject to Board approval, **INSERT** may submit proof of self-insurance sufficient to satisfy the minimum requirements described herein.

<u>MINIMUM SCOPE</u>	<u>MINIMUM LIMITS</u>
Coverage shall include:	INSERT shall maintain limits of <i>no less than</i> :
<ul style="list-style-type: none"> • General Liability 	Two million (\$2,000,000) per occurrence (at least as broad as ISO Form CG 00 01). If a general aggregate limit is used, either the general aggregate limit shall apply separately to this response or the general aggregate limit shall be twice the required occurrence limit. Coverage should be primary and non-contributory, and include waiver of subrogation clause. INSERT will also name ICRMA as an Additional Insured.
<ul style="list-style-type: none"> • Umbrella Coverage 	Five million (\$5,000,000) aggregate and \$5,000,000 per occurrence including additional insured clause; Coverage should be primary and non-contributory and include waiver of subrogation clause
<ul style="list-style-type: none"> • Automobile Liability 	Two million (\$2,000,000) combined single limit per accident (at least as broad as ISO Form CG 00 01), covering any owned or non-owned and hired automobile
<ul style="list-style-type: none"> • Workers’ Compensation & Employer’s Liability 	As required by the State of California. The workers compensation coverage shall meet the statutory limits, and the employers' liability coverage will have limits of at least \$500,000 each accident or disease. Coverage shall include a waiver of subrogation in favor of ICRMA.
<ul style="list-style-type: none"> • Errors & Omissions <i>(or Professional Liability equivalent)</i> 	Appropriate to its profession with ten million (\$10,000,000) each wrongful act If coverage is written on a Claims Made basis, it should include extended reporting conditions of no less than two (2) years.
<ul style="list-style-type: none"> • Property 	Appropriate to its profession and sufficient to provide reimbursement for the expense of reproduction of lost ICRMA materials and/or data.
<ul style="list-style-type: none"> • Crime Coverage 	INSERT shall procure and maintain at least five million (\$5,000,000) in crime coverage that covers those INSERT staff members who provide services to ICRMA in those activities relating to this Agreement.

- a. **Specific Provisions / Endorsements.** The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provision: ICRMA, its officers, officials, employees, and volunteers are to be covered as insureds as respects: liability arising out of work or operations performed by or on behalf of **INSERT**, or automobiles owned, leased, hired, or borrowed by **INSERT**.

INSERT shall maintain all such insurance policies in full force and effect at all times during the performance of the services and with regard to Professional Liability and Crime, for a period of two (2) years after ending of the final contract. The certificate of insurance will be provided prior to beginning work and such certificates of insurance. **INSERT** will provide a 30-day notice of cancellation and/or non-renewal to ICRMA. Approval of any insurance policies by ICRMA shall not relieve **INSERT** of any obligations contained herein, including **INSERT**'s defense obligations and indemnity obligations set forth herein, even for claims in excess of **INSERT**'s policy limits

- b. **Acceptable Insurers.** Insurance is to be placed an insurance company currently authorized by the Insurance Commissioner to transact business of insurance in the State of California with a current AM Best’s rating of no less than A:VII, unless otherwise acceptable to ICRMA.

- c. **Proof of Insurance.** INSERT shall furnish ICRMA with certificates evidencing the coverage required by this clause. All certificates are to be received and approved by ICRMA before work commences.
- d. **Negligence.** Insurance obtained by INSERT does not apply or shall not be construed as being applicable for damages arising out of the bodily injury to any person, personal injury to any person, or damage to property of others resulting from the negligence of ICRMA and its officers, employees, and agents, if applicable.

4) Staffing & Employment Matters

- a. **General Duties.** INSERT, including all employees and staff designated as providing services hereunder, shall act for and on behalf of ICRMA in accordance with applicable California law, and also in accordance with all that is referenced in Exhibit B attached hereto.
- b. **Independent Contractor.** It is understood and agreed that INSERT is engaged to perform services under this Agreement as an independent contractor. The Parties hereto agree that neither has any relationship with or contractual liability to the other with respect to the subject matter of this Agreement other than as set forth herein.
- c. **Key Personnel.** INSERT agrees Key Personnel will be responsible for performance of the designated functions for ICRMA as delineated in Exhibit E. All Key Personnel are at all times subject to review and approval of ICRMA. Should such personnel become unavailable to perform Services for ICRMA, or unacceptable to ICRMA for any reason, INSERT agrees to replace, as soon as practical, such personnel with personnel of comparable skills and experience as determined by ICRMA's evaluation and subject to ICRMA's right of refusal for any reason.
- d. **Equal Opportunity Employer.** INSERT shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, age, or natural origin.
- e. **Fair Employment Practices.** INSERT agrees that all persons employed by INSERT shall be treated equally by INSERT without regard to or because of race, color, religion, ancestry, national origin, handicap, sex, sexual preference, or age and in compliance with all anti-discrimination laws of the United States of America and the State of California.

INSERT agrees that during the performance of this Agreement, INSERT and any other parties with whom INSERT may subcontract, shall adhere to equal opportunity employment practices to assure that applicants and employees are treated equally and are not discriminated against because of their race, religious creed, color, national origin, ancestry, handicap, sex, sexual preference, or age. INSERT agrees to state in all of its solicitations or advertisements for applicants for employment that INSERT is an "Equal Opportunity Employer" or that all qualified applicants shall receive consideration for employment without regard to their race, religious creed, color, national origin, ancestry, handicap, sex, sexual preference, or age. INSERT shall, if requested to do so by ICRMA, certify to ICRMA that INSERT has not, in the performance of this Agreement, discriminated against applicants or employees because of their membership in a protected class.

5) Interpretation, Enforcement & Remedies

- a. **Joint Drafting.** Both parties have participated in the drafting of this Agreement
- b. **Headings.** Headings herein are for convenience of reference only and shall not be considered in any interpretation of this Agreement.
- c. **Governing Law.** The validity, interpretation, and performance of this Agreement shall be controlled and construed according to the internal laws of the State of California.
- d. **Waiver.** No provision of this Agreement shall be considered waived, unless such waiver is in writing and signed by the Party that will benefit from the enforcement of such provision.

No waiver of any default in performance on the part of **INSERT** or like waiver by ICRMA, or any breach or a series of breaches of any of the terms, covenants, or conditions of this agreement shall constitute a waiver of any subsequent breach or a waiver of said terms, covenants, or conditions.

Resort to any remedies referred to herein shall not be construed as a waiver of any other rights and remedies to which either party is entitled under this Agreement or otherwise.

- e. **Dispute Resolution.** The parties to this agreement understand that by agreeing to this agreement they waive any right they may have to a trial by jury and to certain types of damages for the purpose of adjudicating any dispute or disagreement under this agreement.

Unless the parties to this Agreement agree otherwise, any dispute regarding the interpretation of this Agreement shall be resolved by an action for Declaratory Relief and/or Breach of Contract filed in the appropriate Superior Court in and for the State of California. Either party may initiate the action.

Either party must submit a written notice of intent to file an action, limited to causes of action for Declaratory Relief and/or Breach of Contract, at least ninety (90) days prior to filing such action, to provide the parties the opportunity to amicably resolve the dispute. An action for Declaratory Relief and/or Breach of Contract seeking to resolve the dispute must be filed within fifteen (15) months of submittal of the written notice of intent to file the action, and any unexpired statute of limitations shall be tolled until expiration of that 15 month period.

The scope of the action shall be limited to seeking a judicial interpretation of this Agreement, and, as appropriate, determination and declaration of the amount, if any, to be paid by one party to the other, plus interest as provided herein. Neither party shall be entitled to a trial by jury. Neither party shall be entitled to any damages or relief other than as provided in this paragraph, plus simple interest at the rate of 1% per year on any amounts adjudicated to be owed. Notwithstanding anything in this paragraph, any party to the action preserves the right to appeal any judicial decision to the appropriate appellate court, as provided by California law.

If both parties agree in writing, then the dispute may be resolved by binding arbitration or by any other means mutually agreed between the parties. In the event both parties agree to arbitrate, they shall be deemed to waive any rights to pursue any adjudication or relief as to the dispute in any other forum or court, including any rights to appeal.

Arbitration shall be conducted pursuant to the [California Code of Civil Procedure, sections 1280 et seq.](#) Arbitration shall be conducted by a single arbitrator. The arbitrator shall not be employed by or affiliated with either party.

The parties shall select the arbitrator within twenty (20) calendar days from the receipt of the request for arbitration. If the parties are unable to agree upon an arbitrator within that time period, they may mutually agree to a reasonable extension of time not to exceed thirty (30) days. If the parties are unable to agree upon an arbitrator within that extended time period, ICRMA shall file a petition with the appropriate Superior Court requesting appointment of a neutral arbitrator, and the procedures set forth in the [California Code of Civil Procedure Sections 1281.6](#) shall be followed. Unless mutually agreed otherwise, the arbitration hearing shall commence within forty-five (45) calendar days from the date of the selection of the arbitrator.

Each party shall pay one half the cost of the selected arbitrator. In addition, each party shall be responsible for its own attorneys' fees, costs and expenses of arbitration.

Except for notification of appointment and as provided in the [California Code of Civil Procedure Sections 1282 et seq.](#) for the scheduling of hearing(s) and matters relating to the hearing, there shall be no communication between the parties and the arbitrator relating to the subject of the arbitration other than at oral hearings. The procedures set forth in [California Code of Civil Procedure Section 1283.05](#) relating to depositions and discovery shall apply to any arbitration pursuant to this provision. Except as provided otherwise above,

arbitration shall be conducted as provided in [Title 9 of the Code of Civil Procedure \(commencing with Section 1280\)](#). The decision of the arbitrator shall be final and binding, and shall not be subject to appeal.

Despite an unresolved dispute, **INSERT** shall continue without delay to perform its responsibilities under this Agreement.

- f. **Remedies not Exclusive.** No remedy conferred hereunder is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise.

6) **Assignment**

- a. **Non-Assignable.** This Agreement is binding upon the parties hereto and their respective successors by merger, sale, consolidation or reorganization. The Agreement is otherwise personal to ICRMA and **INSERT** and cannot be assigned or delegated in whole or in part without prior written consent of the other.
- a. **Successors.** This Agreement shall be binding upon and shall inure to the benefit of all assigns, transferees, and successors in the interest of the parties hereto.

7) **Entire Agreement**

This Agreement and the [Exhibits](#) hereto represent the entire and exclusive statement of the agreement of the parties. Any annual work plan shall be for administrative purposes. Should there be any conflict, perceived or actual, between this Agreement and any Letter of Engagement, the terms of this Agreement shall control. As such:

- a. **Supersession of Prior Terms and Conditions.** This Agreement integrates all terms and conditions mentioned herein or incidental hereto, and supersedes all oral negotiations and prior writings in respect to the subject matter hereof. In the event of conflict between terms, conditions or provisions of this Agreement and any such document or instrument, the terms and conditions of this Agreement shall prevail.
- b. **Severability.** Should a court of competent jurisdiction declare any part of this Agreement, for any reason, invalid, void or unenforceable the remaining portion shall remain in full force and effect as if this Agreement had been executed without the invalid portion.
- c. **Modification or Amendment.** This Agreement may be modified or amended only by a written statement signed by both parties. Such modification or amendment shall be attached to, and shall thereupon become a part of this Agreement.
- d. **Counterparts.** This Agreement may be executed by the parties in several counterparts, each of which shall be deemed to be an original copy.
- e. **Contents.** At the time of signature both parties agree that, this Agreement included:
- [Agreement](#) (9 pages) and [Exhibits A-E](#) (6 pages)

IN WITNESS WHEREOF,

The Parties hereto have caused this Agreement to be executed on the date first written above.

INSERT COMPANY

Independent Cities Risk Management Authority

By: _____

By: _____

INSERT

Nick Kimball, Board President

Date: _____

Date: _____

* Reviewed by: _____
Kellie Murphy, ICRMA General Counsel

Date: _____

* Approved by the ICRMA Board of Directors at its meeting held **MONTH DAY, 2020**.

EXHIBIT A

Scope of Services & Expected Work Plan

Scope of Services

INSERT agrees to provide the following services to the satisfaction of the Board of ICRMA:

A. Overarching Liability Program Direction & Management

- 1) Provides executive leadership to ICRMA for all liability program matters in line with strategic priorities, while implementing Board policies and ensuring continuous improvement as a pool
 - a. Provides analysis, education, policy recommendations, and support on key program issues
 - b. Participates as a member of the executive team
 - c. Builds productive relationships with members, staff, vendors, as well as defense and plaintiff attorneys
 - d. Keeps the Claims Committee and Board informed with regular reports and updates on the liability program status and performance
- 2) Provides staff for and supervises all day-to-day program activity and long-term management
 - a. Oversees all aspects of ICRMA liability program operations
 - b. Prepares necessary reporting and analysis, including claim funding communications with the finance team
 - c. Oversees the work and activities of defense counsel, TPAs, [Bottomline](#) (Legal X), [Origami](#), and providers of related services
- 3) Monitors and evaluates complex claims and litigation issues in order to provide executive-level recommendations—to avoid unnecessary disputes, legal expenses and/or financial risk to ICRMA – regarding:
 - a. Emerging trends in program and litigation management as well as changes in industry standards
 - b. Assignment of appropriate defense counsel and selection of service providers as appropriate
 - c. Benchmarks, problem areas/trends, appropriate reserves, resolution of claims – and solutions thereto
 - d. Identification of coverage issues and referral to Coverage Counsel
 - e. Other analysis or assistance as appropriate for effective, claims operations

B. Day-to-Day Liability Program Operations

Oversee and manage all claims and liability program matters, in line with ICRMA governing documents, agreements, established policies and procedures, strategic goals, industry standards, and legal constraints.

1) Policy & Regulatory Compliance

- a. Carry out the policies of ICRMA
- b. Ensure compliance with relevant laws and regulatory requirements
- c. Assist with periodic revisions of policies, procedures and governing documents as necessary
- d. Assist in the development of policies and procedures relating to ICRMA's liability program
- e. Cooperate with requests for information and documents
- f. Assist in the development of policies and procedures relating to ICRMA's programs
- g. Prepare and submit all reports related to claims and litigation management required by [Government Code](#) and required by the ICRMA Board and Committees.
- h. Ensure compliance with reinsurer reporting requirements.

2) Program & Data Management

- a. Provide advice and assistance to member agencies, as requested
- b. Monitor the status of ICRMA's liability program
- c. Maintain all required statistical information on the member agencies and their claims within [Origami](#) including correspondence and documentation for immediate access by ICRMA administration.
- d. Maintain on-call service on a 24-hour, 7 days per week basis via a 24-hour phone number, or the phone numbers of key personnel who will be available.
- e. Update members regarding individual claim progress, scheduled presentations, and attend Member city meetings at the request of the Member.
- f. Conduct seminars at the request of ICRMA and/or Member Cities.

- g. Coordinate with risk control staff to provide ICRMA and its members with ongoing information on recommended loss prevention actions and other cost control measures regarding any ICRMA programs.
- h. Make observations and recommendations in regard to claims handling; provide input on regulatory or legislative changes or industry trends that effect liability, potential liability claims

3) Claims Management & Documentation

- a. Request and review Coverage Counsel opinion letters.
- b. Review all ICRMA reportable claims for coverage verification, investigation, reserving, litigation management, and preparation of periodic claims status reports to the Authority.
- c. Institute reporting procedures and forms whereby member cities and/or its claims administrators report claims which will or may potentially expose ICRMA. *These reporting procedures are contained in ICRMA's [Litigation Management Policies and Procedures](#) for reporting to ICRMA.*
- d. Report any and all reported claims to ICRMA's reinsurance carriers in accordance with the policy provisions.
- e. Attend all Board meetings and Claims Committee meetings.
- f. Maintain a claim file within [Origami](#) on each reported claim. *The claim files will be ICRMA's property and will be available for inspection by ICRMA upon request.*
- g. Provide written statistical and loss experience reports concerning summary claims status at least annually.
- h. Engage with ICRMA's prior approval the services of vendors to assist with the efficiency or effectiveness of the liability program
- i. Be available for consultation on claims and related issues potentially involving ICRMA as necessary
- j. Ensure performance of all claims management activities in accordance with and **per the timeline expectations** of ICRMA's various [TPA Performance Standards](#) and related policies
 - a. Process payments **within 20 business days of appropriate approvals.**
 - b. Review vendors for appropriateness of work and cost-effectiveness.
 - c. Ensure reserve accuracy and maintain close communication regarding any change or need for change with ICRMA's Executive Director, financial team, actuaries, TPAs, and members.
 - d. Notify reinsurance carriers of claims meeting reporting requirements and follow all carrier reporting guidelines.
 - e. Clearly and concisely document all action taken on claims.
 - f. Provide clear and concise narrative reports when:
 - i. Recommending rejection or settlement of a claim,
 - ii. Claim is going to trial, or
 - iii. Other significant events occur.
 - g. The entire file shall be maintained in [Origami](#) and available for review at any time.

4) Litigation Management & Documentation

ICRMA's or Member's legal counsel will handle litigation of claims. However once litigation has commenced, **INSERT** will work in conjunction with assigned counsel in defense of the claim and remain the point of contact for ICRMA during the entire pendency of the litigation, including, but not limited to:

- a. Oversee and implement [Litigation Management Policies and Procedures](#), including billing guidelines.
- b. Ensure compliance with ICRMA's Policies and Procedures.
- c. Recommend settlements and further litigation strategy subject to the supervision of ICRMA's administrator and/or General Counsel
- d. Assist in gathering documents for production requests
 - i. In answering interrogatories
 - ii. By providing all necessary documentation
 - iii. In preparation of litigation and negotiation of settlements at request of ICRMA or Member City.
- e. Ensure that defense counsel is properly reporting to ICRMA and ICRMA's excess carriers, subject to any conflicts of interests and review and recommend payment of all reasonable litigation expenses.
- f. Perform all claims management activities in accordance with and **per the timeline expectations** of ICRMA's [Litigation Management Policies](#) and related policies
 - i. Provide primary TPA and member city with a transmittal letter acknowledging receipt of claim **within 14 days.**
 - ii. Obtain a fully executed release on all settlements and dismissals.

- iii. Process any claim or potential claim for settlement in accordance with instructions and policies of ICRMA or any member thereof for settlement of such claims, in accordance with the [California Government Code](#).
- iv. Notify ICRMA financial team of anticipated claim payments over \$150,000.
- g. Attend hearings, settlement conferences, mediation or arbitrations for ICRMA reportable claims.
- h. Assist in pursuing ICRMA'S or Member Cities' subrogation rights.

5) Service to Membership

Provide appropriate service and assistance to member cities with respect to ICRMA business as required.

- a. Advise members on risk management matters
- b. Assist members in obtaining services from ICRMA vendors
- c. Ensure coordinated response to coverage questions with ICRMA Coverage Counsel
- d. Respond to member requests for assistance at meetings in communication with the ICRMA administrator

6) Strategic Loss Review

Work with ICRMA'S Executive Director to review alternatives for financially strengthening ICRMA'S liability program,

7) Data Management & Analysis

Coordinate with ICRMA'S Executive Director and/or TPAs to acquire loss data for quarterly and annual financial statements with respect to self-insured programs

- a. Generate [Origami](#) reports of loss data as submitted from primary TPAs, per [ICRMA Universal Data Specifications](#)
- b. Verify data quality and communicate any problems to TPAs and/or Members
- c. Review standardized loss data with the administration team for provision to the actuary for actuarial studies and updates (ICRMA and individual member) and to ICRMA'S broker for excess insurance/reinsurance placements

8) Meeting Management & Support

Prepare for and staff ICRMA Board meetings (minimum six times per year), Claims Committee meetings (minimum six times per year), ad hoc meetings, as well as special events and retreats as determined by ICRMA, including preparation and timely delivery of appropriate agenda materials (two weeks prior to meeting date).

9) Record Management & Transparency

- a. Use ICRMA'S file sharing system for all work product and records in accordance with its Record Retention Policy.
- b. Use ICRMA'S claim system, [Origami](#), to actively monitor all claims and/or litigation that are ICRMA reportable or that may have a significant impact on ICRMA programs, and use the computerized claims management information system to input all claims reported including development of necessary forms and training.

C. General Expectations

Provide agreed-to staff as well as equipment, supplies and technological support for all of the above; support services required to satisfactorily carry out the terms of this Agreement.

Perform its duties pursuant to and in accordance with the Governing Documents itemized in [Exhibit B](#) and all applicable laws and regulations of the State of California and the United States of America.

Actively participate in industry activities (e.g., conferences) in order to develop professionally and maintain visibility for ICRMA as a pool. In doing so, maintain contacts with public agency risk managers and the insurance industry by participating in appropriate risk management and pool management related trade organizations.

INSERT will perform any other duties or task that would normally be part of a program management in the course of similar business.

Liability Program Services Work Plan

INSERT agrees that the services described above include at least the following tasks for implementation:

COMMUNICATIONS

1. Return telephone calls **within 24 hours**.
2. Respond to emails **within 48 hours**, unless an immediate response is required.
3. Maintain close communication with ICRMA regarding claims development and all relevant implications.

DELIVERABLES

Monthly	<ul style="list-style-type: none">• Review ICRMA reportable claims and maintain notes and documents in Origami• Develop and maintain a Watch List• Data feed reconciliation (Origami)• Write status reports as appropriate for reinsurance carriers, Claims Committee, Board• Develop settlement authority, reimbursement, and check requests
Quarterly	<ul style="list-style-type: none">• Schedule and conduct file reviews with reinsurance carriers
Semi-Annually	<ul style="list-style-type: none">• Schedule and conduct file reviews with individual members
Annually	<ul style="list-style-type: none">• Report non-compliance with the LMPP• Assist with attorney report card report
Biennial <i>and upon request</i>	<ul style="list-style-type: none">• Provide all supporting documents and answer questions from the external auditors, including reinsurance carriers
Additional	<ul style="list-style-type: none">• Reports required to manage the program, including but not limited to:<ul style="list-style-type: none">○ Detail Loss Analysis○ Program Loss Analysis Summary

OTHER MINIMUM EXPECTATIONS

1. **Staff Counsel**
 - a. Utilization is maximized
 - b. Participation by claims in side by side reviews
 - c. Partnership (communication, meeting/planning participation, cross support development activity, etc.)
 - d. Staffing analyses are reviewed twice annually including projected suit volume
2. **Panel Counsel**
 - a. Approved Panel Counsel List is updated and published as changes occur
 - b. Coordinate the approval process required to add attorneys to the panel
 - c. Attorneys' performance is regularly evaluated followed by in person communication of same
 - d. Flat fee agreements are sought and part of the pricing structure
 - e. Contract agreements are regularly considered
3. **Litigated Files**
 - a. Litigation plans documented in all files
 - b. Case budgets documented in all files
 - c. Regularly review reserves on ICRMA reportable claims to determine sufficiency
4. **Manage Pre-Litigation Program** (*suit avoidance*)
 - a. ADR forums consistently utilized
 - b. ADR offers made on stalemates and first party denials
 - c. Targeted review of files approaching statutes of limitations, certain age, etc.
 - d. Analysis and tracking of why cases go into litigation
5. **Quality Assurance & Audit**
 - a. Legal Audit annually
 - b. Operations management review compliance with above annually in conjunction with Legal Audit

EXHIBIT B

Governing Documents Incorporated by Reference

INSERT agrees to familiarize itself and abide by as applicable all of the following (collectively “**Governing Documents**”):

1. Joint Exercise of Powers Agreement
2. Bylaws
3. Conflict of Interest Code
4. Record Retention Policy
5. Universal Data Specifications
6. Memoranda of Coverage
7. TPA Performance Standards
8. Program Underwriting & Administration Policy Manual
9. Litigation Management Policies & Procedures

This list shall include subsequent versions of each of the above as well as any additional applicable program documents, memoranda of coverage, resolutions, and the policies of ICRMA.

EXHIBIT C

Intentionally Left Blank

EXHIBIT D

Compensation Structure

INSERT agrees to provide all of the services herein for the following fees:

Fiscal year	Services Fee	Expenses	Total

INSERT will invoice ICRMA in equal monthly payments due on the 10th day of the month following performance of services. Any changes to these fees require modification of this Agreement and approval of the ICRMA Board. Additional services maybe billed per the hourly rates listed in [Exhibit E](#).

Any changes to these fees require modification of this Agreement and approval of the ICRMA Board. There will be no other expenses invoiced within this Agreement.

EXHIBIT E

Staffing Structure

INSERT agrees to provide the services herein via the following personnel. The fees listed are for additional services only.

Name	INSERT Role	Hourly Rate	ICRMA Title
			Liability Program Manager
			Liability Assistant Program Manager
			Liability Claims Assistant

INSERT SPECIFIC ROLES, RESONSIBILITIES & CHART

EXHIBIT F

Performance Evaluation

Performance evaluation under this agreement will be performed in alignment with policy contained in [ICRMA’s Program Underwriting & Administration Policy Manual](#) as well as the terms of this agreement. For each period assessed, **INSERT** will complete a self-assessment in addition to ICRMA’s assessment using the questions and measures outlined here. Regardless of the evaluation cycle, communication between parties should be ongoing and transparent throughout.

INSERT Self-Evaluation

- This is how the engagement is going:
- This is what is proceeding particularly well:
- This is what needs to improve:
- This is what we are going to do to improve performance:
- This is what we ask from ICRMA to assist in performance improvement:

ICRMA Assessment of Liability Program Services Performance

To be completed by the ICRMA Executive Director in consultation with Claims Committee . Each of the assessment items is a header from **Exhibit A** of the agreement. The assessment will include the detail following each header in **Exhibit A**.

Evaluation Definitions						
5. Exceptional	Performance is consistently superior and significantly exceeds requirements.					
4. Highly Effective	Performance frequently exceeds requirements.					
3. Proficient	Performance consistently meets requirements.					
2. Inconsistent	Performance meets some, but not all requirements.					
1. Unsatisfactory	Performance consistently fails to meet minimum requirements; vendor lacks skills required or fails to use necessary skills.					
N/A Not Applicable	Vendor has not been in place long enough to have demonstrated the essential elements of the item and will be reviewed at a later agreed upon date.	5	4	3	2	1 N/A

General Obligations under Contract		Met	Unmet
1. Proactive Ethics & Conflict of Interest Management		<input type="checkbox"/>	<input type="checkbox"/>
2. Sufficient Data Security & Confidentiality		<input type="checkbox"/>	<input type="checkbox"/>
3. Sufficient Insurance & Bonds		<input type="checkbox"/>	<input type="checkbox"/>
4. Appropriate Key Personnel		<input type="checkbox"/>	<input type="checkbox"/>
Comments			

Overarching Liability Program Direction & Management	
Executive-level leadership to ICRMA for all liability claim-related matters in line with strategic priorities and long-term financial plans, while implementing Board policies and ensuring continuous improvement as a pool.	
1. INSERTED BASED UPON FINAL CONTRACT	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
2.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Comments	

Day-to-Day Liability Program Operations	
INSERTED BASED UPON FINAL CONTRACT	
1. INSERTED BASED UPON FINAL CONTRACT	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
2.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Comments	