

ORIGINAL

CONTRACT RESULTING FROM REQUEST FOR PROPOSAL NUMBER 10089810-24-J, Adjuster Services

This Contract (Contract) is entered into by and between the City of San Diego, a municipal corporation (City), and the successful proposer to Request for Proposal (RFP) # 10089810-24-J, Adjuster Services (Contractor).

RECITALS

On or about 6/5/2024 City issued an RFP to prospective proposers on services to be provided to the City. The RFP and any addenda and exhibits thereto are collectively referred to as the "RFP." The RFP is attached hereto as Exhibit A.

City has determined that Contractor has the expertise, experience, and personnel necessary to provide the services.

City wishes to retain Contractor to provide general adjuster services as further described in the Scope of Work, attached hereto as Exhibit B. (Services).

For good and valuable consideration, the sufficiency of which is acknowledged, City and Contractor agree as follows:

ARTICLE I CONTRACTOR SERVICES

1.1 Scope of Work. Contractor shall provide the Services to City as described in Exhibit B which is incorporated herein by reference. Contractor will submit all required forms and information described in Exhibit A to the Purchasing Agent before providing Services.

1.2 General Contract Terms and Provisions. This Contract incorporates by reference the General Contract Terms and Provisions, attached hereto as Exhibit C.

1.3 Contract Administrator. The Public Utilities Department (Department) is the Contract Administrator for this Agreement. Contractor shall provide the Services under the direction of a designated representative of the Department as follows:

Margaret Llagas, Senior Civil Engineer, PUD
9192 Topaz Way, San Diego, CA 92123
858-654-4494
MLlagas@sandiego.gov

Kenneth Morgan, Deputy Director, PUD
2797 Caminito Chollas, San Diego, CA 92105
619-527-7482
KCMorgan@sandiego.gov

Document No. **RR316251**
Filed **JUN 09 2025**
Office of the City Clerk
San Diego, California

**ARTICLE II
DURATION OF CONTRACT**

2.1 Term. This Contract shall be for a period of five (5) years beginning on the Effective Date. The term of this Contract shall not exceed five years unless approved by the City Council by ordinance.

2.2 Effective Date. This Contract shall be effective on the date it is executed by the last Party to sign the Contract, and approved by the City Attorney in accordance with San Diego Charter Section 40.

**ARTICLE III
COMPENSATION**

3.1 Amount of Compensation. City shall pay Contractor for performance of all Services rendered in accordance with this Contract in an amount not to exceed \$3,000,000.

**ARTICLE IV
WAGE REQUIREMENTS**

4.1 Reserved.

**ARTICLE V
CONTRACT DOCUMENTS**

5.1 Contract Documents. The following documents comprise the Contract between the City and Contractor: this Contract and all exhibits thereto, the RFP; the Notice to Proceed; and the City's written acceptance of exceptions or clarifications to the RFP, if any.

5.2 Contract Interpretation. The Contract Documents completely describe the Services to be provided. Contractor will provide any Services that may reasonably be inferred from the Contract Documents or from prevailing custom or trade usage as being required to produce the intended result whether or not specifically called for or identified in the Contract Documents. Words or phrases which have a well-known technical or construction industry or trade meaning and are used to describe Services will be interpreted in accordance with that meaning unless a definition has been provided in the Contract Documents.

5.3 Precedence. In resolving conflicts resulting from errors or discrepancies in any of the Contract Documents, the Parties will use the order of precedence as set forth below. The 1st document has the highest priority. Inconsistent provisions in the Contract Documents that address the same subject, are consistent, and have different degrees of specificity, are not in conflict and the more specific language will control. The order of precedence from highest to lowest is as follows:

- 1st Any properly executed written amendment to the Contract
- 2nd The Contract
- 3rd The RFP and the City's written acceptance of any exceptions or clarifications to the RFP, if any
- 4th Contractor's Pricing

5.4 Counterparts. This Contract may be executed in counterparts which, when taken together, shall constitute a single signed original as though all Parties had executed the same page.

5.5 Public Agencies. Other public agencies, as defined by California Government Code section 6500, may choose to use the terms of this Contract, subject to Contractor's acceptance. The City is not liable or responsible for any obligations related to a subsequent Contract between Contractor and another public agency.

IN WITNESS WHEREOF, this Contract is executed by City and Contractor acting by and through their authorized officers.

CONTRACTOR

George Hills Company, Inc.

Proposer

75 Iron Point Circle, Suite 175

Street Address

Folsom

City

9168594000

Telephone No.

john.chaquica@georgehills.com

E-Mail

CITY OF SAN DIEGO
A Municipal Corporation

BY:



Print Name:

Claudia C. Barca
Director, Purchasing & Contracting
Department

August 12, 2025
Date Signed

BY:



John E. Chaquica (May 27, 2025 10:08 PDT)

Signature of
Proposer's Authorized
Representative

John E. Chaquica

Print Name

John E. Chaquica

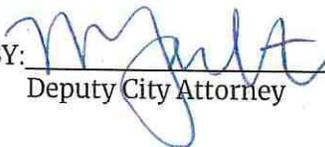
Title

05/27/2025

Date

Approved as to form this 20th day of

August, 20 25.
MARA W. ELLIOTT, City Attorney

BY: 
Deputy City Attorney

R-316251

**EXHIBIT A
PROPOSAL SUBMISSION AND REQUIREMENTS**

A. PROPOSAL SUBMISSION

1. Timely Proposal Submittal. Proposals must be submitted as described herein to the Purchasing & Contracting Department (P&C).

1.1 Reserved.

1.2 Paper Proposals. The City will accept paper proposals in lieu of eProposals. Paper proposals must be submitted in a sealed envelope to the Purchasing & Contracting Department (P&C) located at 1200 Third Avenue, Suite 200, San Diego, CA 92101. The Solicitation Number and Closing Date must be referenced in the lower left-hand corner of the outside of the envelope. Faxed proposals will not be accepted.

1.3 Proposal Due Date. Proposals must be submitted prior to the Closing Date indicated on the eBidding System. E-mailed and/or faxed proposals will not be accepted.

1.4 Pre-Proposal Conference. No pre-proposal conference will be held for RFP.

1.4.1 Reserved.

1.5 Questions and Comments. Written questions and comments must be submitted electronically via the eBidding System no later than the date specified on the eBidding System. Only written communications relative to the procurement shall be considered. The City's eBidding System is the only acceptable method for submission of questions. All questions will be answered in writing. The City will distribute questions and answers without identification of the inquirer(s) to all proposers who are on record as having received this RFP, via its eBidding System. No oral communications can be relied upon for this RFP. Addenda will be issued addressing questions or comments that are determined by the City to cause a change to any part of this RFP.

1.6 Contact with City Staff. Unless otherwise authorized herein, proposers who are considering submitting a proposal in response to this RFP, or who submit a proposal in response to this RFP, are prohibited from communicating with City staff about this RFP from the date this RFP is issued until a contract is awarded.

2. Proposal Format and Organization. Unless electronically submitted, all proposals should be securely bound and must include the following completed and executed forms and information presented in the manner indicated below:

Tab A - Submission of Information and Forms.

2.1 Completed and signed Contract Signature Page. If any addenda are issued, the latest Addendum Contract Signature Page is required.

2.2 Exceptions requested by proposer, if any. The proposer must present written factual or legal justification for any exception requested to the Scope of Work, the Contract, or the Exhibits thereto. Any exceptions to the Contract that have not been accepted by the City in writing are deemed rejected. The City, in its sole discretion, may accept some or all of

proposer's exceptions, reject proposer's exceptions, and deem the proposal non-responsive, or award the Contract without proposer's proposed exceptions. The City will not consider exceptions addressed elsewhere in the proposal.

2.3 The Contractor Standards Pledge of Compliance Form.

2.4 Equal Opportunity Contracting forms including the Work Force Report and Contractors Certification of Pending Actions.

2.5 Reserved.

2.6 Licenses as required in Exhibit B.

2.7 Reserved.

2.8 Additional Information as required in Exhibit B.

2.9 Reserved.

Tab B – Executive Summary and Responses to Specifications.

2.10 A title page.

2.11 A table of contents.

2.12 An executive summary, limited to one typewritten page, that provides a high-level description of the proposer's ability to meet the requirements of the RFP and the reasons the proposer believes itself to be best qualified to provide the identified services.

2.13 Proposer's response to the RFP.

Tab C – Cost/Price Proposal (if applicable). Proposers shall submit a cost proposal in the form and format described herein. Failure to provide cost(s) in the form and format requested may result in proposal being declared non-responsive and rejected.

3. Proposal Review. Proposers are responsible for carefully examining the RFP, the Specifications, this Contract, and all documents incorporated into the Contract by reference before submitting a proposal. If selected for award of contract, proposer shall be bound by same unless the City has accepted proposer's exceptions, if any, in writing.

4. Addenda. The City may issue addenda to this RFP as necessary. All addenda are incorporated into the Contract. The proposer is responsible for determining whether addenda were issued prior to a proposal submission. Failure to respond to or properly address addenda may result in rejection of a proposal.

5. Quantities. The estimated quantities provided by the City are not guaranteed. These quantities are listed for informational purposes only. Quantities vary depending on the demands of the City. Any variations from the estimated quantities shall not entitle the proposer to an adjustment in the unit price or any additional compensation.

6. Quality. Unless otherwise required, all goods furnished shall be new and the best of their kind.

6.1 Items Offered. Proposer shall state the applicable trade name, brand, catalog, manufacturer, and/or product number of the required good, if any, in the proposal.

6.2 Brand Names. Any reference to a specific brand name in a solicitation is illustrative only and describes a component best meeting the specific operational, design, performance, maintenance, quality, or reliability standards and requirements of the City. Proposer may offer an equivalent or equal in response to a brand name referenced (Proposed Equivalent). The City may consider the Proposed Equivalent after it is subjected to testing and evaluation which must be completed prior to the award of contract. If the proposer offers an item of a manufacturer or vendor other than that specified, the proposer must identify the maker, brand, quality, manufacturer number, product number, catalog number, or other trade designation. The City has complete discretion in determining if a Proposed Equivalent will satisfy its requirements. It is the proposer's responsibility to provide, at their expense, any product information, test data, or other information or documents the City requests to properly evaluate or demonstrate the acceptability of the Proposed Equivalent, including independent testing, evaluation at qualified test facilities, or destructive testing.

7. Modifications, Withdrawals, or Mistakes. Proposer is responsible for verifying all prices and extensions before submitting a proposal.

7.1 Modification or Withdrawal of Proposal Before Proposal Opening. Prior to the Closing Date, the proposer or proposer's authorized representative may modify or withdraw the proposal by providing written notice of the proposal modification or withdrawal to the City Contact via the eBidding System. E-mail or telephonic withdrawals or modifications are not permissible.

7.2 Proposal Modification or Withdrawal of Proposal After Proposal Opening. Any proposer who seeks to modify or withdraw a proposal because of the proposer's inadvertent computational error affecting the proposal price shall notify the City Contact identified on the eBidding System no later than three working days following the Closing Date. The proposer shall provide worksheets and such other information as may be required by the City to substantiate the claim of inadvertent error. Failure to do so may bar relief and allow the City recourse from the bid surety. The burden is upon the proposer to prove the inadvertent error. If, as a result of a proposal modification, the proposer is no longer the apparent successful proposer, the City will award to the newly established apparent successful proposer. The City's decision is final.

8. Incurred Expenses. The City is not responsible for any expenses incurred by proposers in participating in this solicitation process.

9. Public Records. By submitting a proposal, the proposer acknowledges that any information submitted in response to this RFP is a public record subject to disclosure unless the City determines that a specific exemption in the California Public Records Act (CPRA) applies. If the proposer submits information clearly marked confidential or proprietary, the City may protect such information and treat it with confidentiality to the extent permitted by law. However, it will be the responsibility of the proposer to provide to the City the specific legal grounds on which the City can rely in withholding information requested under the CPRA should the City choose to withhold such information. General references to sections of the

CPRA will not suffice. Rather, the proposer must provide a specific and detailed legal basis, including applicable case law, that clearly establishes the requested information is exempt from the disclosure under the CPRA. If the proposer does not provide a specific and detailed legal basis for requesting the City to withhold proposer's confidential or proprietary information at the time of proposal submittal, City will release the information as required by the CPRA and proposer will hold the City, its elected officials, officers, and employees harmless for release of this information. It will be the proposer's obligation to defend, at proposer's expense, any legal actions or challenges seeking to obtain from the City any information requested under the CPRA withheld by the City at the proposer's request. Furthermore, the proposer shall indemnify and hold harmless the City, its elected officials, officers, and employees from and against any claim or liability, and defend any action brought against the City, resulting from the City's refusal to release information requested under the CPRA which was withheld at proposer's request. Nothing in the Contract resulting from this proposal creates any obligation on the part of the City to notify the proposer or obtain the proposer's approval or consent before releasing information subject to disclosure under the CPRA.

10. Right to Audit. The City Auditor may access proposer's records as described in San Diego Charter section 39.2 to confirm contract compliance.

B. PRICING

1. Fixed Price. All prices shall be firm, fixed, fully burdened, FOB destination, and include any applicable delivery or freight charges, and any other costs required to provide the requirements as specified in this RFP. The lowest total estimated contract price of all the proposals that meet the requirements of this RFP will receive the maximum assigned points to this category as set forth in this RFP. The other price schedules will be scored as follows:

- a. The proposer with the Lowest Total Price, per Attachment 1, will receive ten (10) points.
- b. The proposer with the Second Lowest Total Price will receive nine (9) points.
- c. The proposer with the Third Lowest Total Price will receive eight (8) points.
- d. The proposer with the Fourth Lowest Total Price will receive seven (7) points, and so on.

2. Taxes and Fees. Taxes and applicable local, state, and federal regulatory fees should not be included in the price proposal. Applicable taxes and regulatory fees will be added to the net amount invoiced. The City is liable for state, city, and county sales taxes but is exempt from Federal Excise Tax and will furnish exemption certificates upon request. All or any portion of the City sales tax returned to the City will be considered in the evaluation of proposals.

3. Escalation. An escalation factor is not allowed unless called for in this RFP. If escalation is allowed, proposer must notify the City in writing in the event of a decline in market price(s) below the proposal price. At that time, the City will make an adjustment in the Contract or may elect to re-solicit.

4. Unit Price. Unless the proposer clearly indicates that the price is based on consideration of being awarded the entire lot and that an adjustment to the price was made

based on receiving the entire proposal, any difference between the unit price correctly extended and the total price shown for all items shall be offered shall be resolved in favor of the unit price.

C. EVALUATION OF PROPOSALS

1. Award. The City shall evaluate each responsive proposal to determine which proposal offers the City the best value consistent with the evaluation criteria set forth herein. The proposer offering the lowest overall price will not necessarily be awarded a contract.

2. Sustainable Materials. Consistent with Council Policy 100-14, the City encourages use of readily recyclable submittal materials that contain post-consumer recycled content.

3. Evaluation Process.

3.1 Process for Award. A City-designated evaluation committee (Evaluation Committee) will evaluate and score all responsive proposals. The Evaluation Committee may require proposer to provide additional written or oral information to clarify responses. Upon completion of the evaluation process, the Evaluation Committee will recommend to the Purchasing Agent that award be made to the proposer with the highest scoring proposal.

3.2 Reserved.

3.3 Mandatory Demonstration/Presentation. The City will require only the top three (3) proposers within seven (7) points of the proposer with the highest scoring proposal to interview and/or make an oral presentation. Interviews and/or oral presentations will be made to the Evaluation Committee in order to clarify the proposals and to answer any questions. The interviews and/or oral presentations will be scored as part of the selection process. The City will complete all reference checks prior to any oral interview. Additionally, the Evaluation Committee may require proposer's key personnel to interview. Interviews may be by telephone and/or in person. Multiple interviews may be required. Proposers are required to complete their oral presentation and/or interviews within seven (7) workdays after the City's request. Proposers should be prepared to discuss and substantiate any of the areas of the proposal submitted, as well as proposer's qualifications to furnish the subject goods and services. Proposer is responsible for any costs incurred for the oral presentation and interview of the key personnel.

3.4 Discussions/Negotiations. The City has the right to accept the proposal that serves the best interest of the City, as submitted, without discussion or negotiation. Contractors should, therefore, not rely on having a chance to discuss, negotiate, and adjust their proposals. The City may negotiate the terms of a contract with the winning proposer based on the RFP and the proposer's proposal, or award the contract without further negotiation.

3.5 Inspection. The City reserves the right to inspect the proposer's equipment and facilities to determine if the proposer is capable of fulfilling this Contract. Inspection will include, but not limited to, survey of proposer's physical assets and financial capability. Proposer, by signing the proposal agrees to the City's right of access to physical assets and financial records for the sole purpose of determining proposer's capability to perform the Contract. Should the City conduct this inspection, the City reserves the right to disqualify a

proposer who does not, in the City’s judgment, exhibit the sufficient physical and financial resources to perform this Contract.

3.6 Evaluation Criteria. The following elements represent the evaluation criteria that will be considered during the evaluation process:

	MAXIMUM EVALUATION POINTS
A. Responsiveness to the RFP.	20
1. Requested information included and thoroughness of response.	
2. Soundness of the proposed approach, methodology, and deliverables for conducting third party General Adjusting Services (GAS) for the investigation and adjusting of property losses requirements in Exhibit B; Section C – Scope of Services of this RFP.	
3. Understanding the project and ability to deliver as exhibited in the Executive Summary.	
4. Exceptions to the RFP.	
B. Staffing.	20
1. Qualifications, experience, and competency of professional personnel who will be assigned to the Contract by the Proposer including tenure with firm, length of time in the industry, and type of experience.	
2. Availability/Geographical location of personnel for required tasks.	
3. Clearly defined Roles/Responsibilities of personnel assigned to work.	
C. Firm's Capability to provide the services and expertise and Past Performance.	35
1. Proposer’s relevant experience and expertise in conducting third party General Adjuster Services for property damage losses.	
2. Other pertinent experience.	
3. Proposers location in the general geographical area of the project work.	
4. Understanding of water/wastewater industry operations.	
5. Capacity/Capability to meet the City of San Diego needs in a timely and responsible manner.	
6. Familiarity and experience with Xactimate Insurance Estimating software.	
7. Reference checks.	
D. Price.	10
E. Mandatory Demonstration/Presentation.	15
1. Software to be used for tracking/reporting/managing losses.	
2. Examples of reports/reporting of losses.	
3. Thoroughness and Clarity of Interview and presentation.	
SUB TOTAL MAXIMUM EVALUATION POINTS:	100
F. Participation by Small Local Business Enterprise (SLBE) or Emerging Local Business Enterprise (ELBE) Firms*	12
FINAL MAXIMUM EVALUATION POINTS INCLUDING SLBE/ELBE:	112

*The City shall apply a maximum of an additional 12 percentage points to the proposer's final score for SLBE OR ELBE participation. Refer to Equal Opportunity Contracting Form, Section V.

D. ANNOUNCEMENT OF AWARD

1. **Award of Contract.** The City will inform all proposers of its intent to award a Contract in writing.

2. **Obtaining Proposal Results.** No solicitation results can be obtained until the City announces the proposal or proposals best meeting the City's requirements. Proposal results may be obtained by: (1) e-mailing a request to the City Contact identified on the eBidding System or (2) visiting the P&C eBidding System to review the proposal results. To ensure an accurate response, requests should reference the Solicitation Number. Proposal results will not be released over the phone.

3. **Multiple Awards.** City may award more than one contract by awarding separate items or groups of items to various proposers. Awards will be made for items, or combinations of items, which result in the lowest aggregate price and/or best meet the City's requirements. The additional administrative costs associated with awarding more than one Contract will be considered in the determination.

E. **PROTESTS.** The City's protest procedures are codified in Chapter 2, Article 2, Division 30 of the San Diego Municipal Code (SDMC). These procedures provide unsuccessful proposers with the opportunity to challenge the City's determination on legal and factual grounds. The City will not consider or otherwise act upon an untimely protest.

F. **SUBMITTALS REQUIRED UPON NOTICE TO PROCEED.** The successful proposer is required to submit the following documents to P&C **within ten (10) business days** from the date on the Notice to Proceed letter:

1. **Insurance Documents.** Evidence of all required insurance, including all required endorsements, as specified in Article VII of the General Contract Terms and Provisions.

2. **Taxpayer Identification Number.** Internal Revenue Service (IRS) regulations require the City to have the correct name, address, and Taxpayer Identification Number (TIN) or Social Security Number (SSN) on file for businesses or persons who provide goods or services to the City. This information is necessary to complete Form 1099 at the end of each tax year. To comply with IRS regulations, the City requires each Contractor to provide a Form W-9 prior to the award of a Contract.

3. **Business Tax Certificate.** Unless the City Treasurer determines a business is exempt, all businesses that contract with the City must have a current business tax certificate.

4. **Reserved.**

5. **Reserved.**

The City may find the proposer to be non-responsive and award the Contract to the next highest scoring responsible and responsive proposer if the apparent successful proposer fails to timely provide the required information or documents.

EXHIBIT B SCOPE OF WORK

A. SPECIFICATIONS

The City of San Diego (City) is accepting proposals from qualified firms (Adjuster(s)) to provide third party Adjuster Services (AS) for damages and losses to privately owned real property caused by water main breaks and sewer backups (Remediation Events). The services will include coordination with remediation, architecture & engineering, and construction contractor(s) and/or subcontractor(s) (collectively, Remediation Contractor(s)) that provide restoration services at the request of the City after Remediation Events, as well as the review and auditing of invoices submitted by the Remediation Contractor(s). The City averages approximately 100 individual losses per year as the result of approximately 29 Remediation Events. The average annual cost of all remediation-related services to the City is \$2,200,000 per year.

The successful Proposer will work with the Technical Representatives from Public Utilities Department (PUD's) Water and Wastewater Divisions who will coordinate with the City's Risk Management Department as necessary.

B. TECHNICAL REQUIREMENTS

1. City's Responsibilities

- a. The City will provide Adjuster with information related to each new Remediation Event and additional information as necessary throughout the life of the repairs or settlement of the loss.
- b. The City will provide Adjuster with general direction regarding investigation of the Remediation Event and make City personnel available for assistance to obtain details related to the Remediation Event.
- c. The City shall be solely responsible for approving all services or settlements related to Remediation Events. Adjuster has no authority to approve remediation services or settlements on behalf of the City.

2. Adjuster's Responsibilities

- a. Adjuster shall perform AS, including diligently reviewing and adjusting real property damages resulting from Remediation Events including any costs associated with architecture & engineering services and/or construction services, presented to them by the City according to the professional standards of Adjuster's firm. (A copy of these standards must be submitted as part of the firm's proposal).
- b. Adjuster shall coordinate with the City's remediation contractor(s) for the timely and accurate repair of damages to third party real property. Adjuster shall visit Remediation Event sites, as appropriate, to gauge the size and scale of the damage and verify the accuracy of estimates from the Remediation Contractor(s).

- c. Adjuster shall make recommendations to the City regarding loss adjusting, processes, and procedures to include, but not limited to, how to notify claimants on claims procedures, reporting and documentation of loss items, preserving of evidence relating to a loss.
- d. Adjuster shall make settlement recommendations to the City and act promptly on adjudication instructions using reporting methods as approved by the City.
- e. Adjuster shall cooperate completely with City's Risk Management Department and shall respond to inquiries within one (1) business day.
- f. Adjuster shall analyze loss trends quarterly and provide a written report to the City.
- g. Adjuster may be requested to attend up to twelve (12) meetings per year with City staff to discuss matters such as: open repair work on Remediation Events, remediation processes, loss trends, settlement issues, and other related topics.
- h. Adjuster shall designate one individual as the primary contact for the City account. Adjuster shall ensure that secondary contacts are available in the event the primary contact is unavailable.
- i. Adjuster must have experience working with Xactimate Insurance Estimating software or equivalent software (that is compatible with City used software), architecture & engineering costs, and construction costs to oversee and audit information submitted by the City's Remediation Contractor(s).

C. SCOPE OF SERVICES

1. Adjuster shall abide by the following instructions while performing AS, unless otherwise directed by City staff:
 - a. Promptly create a loss file within twenty-four (24) hours of receipt of an event notification form or event report from the City and contact the affected party or parties of the Remediation Event.
 - b. Contact appropriate City staff and review procedures, whenever there are questions regarding procedures or if procedures have changed.
 - c. Investigate each Remediation Event within twenty-four (24) hours of notification of the event.
 - d. Upon request from the Technical Representatives, provide the City with an initial assessment, inventory of damages and losses to third party real property, and a best faith estimate of the cost of the damages, including the cost of any necessary architecture & engineering services and/or construction services, within three (3) to five (5) business days of the Remediation Event.
 - e. Visit the scene of the Remediation Event as appropriate.
 - f. Comply with all Federal, State, and Local safety standards and requirements while conducting field visits.

- g. Take photographs, measurements, and video recordings of the scene, depending on the extent of the damage.
- h. Interview affected party or parties and any witnesses of the Remediation Event.
- i. Notify the Technical Representatives of Remediation Events that involve damage to or loss of personal property, as well as Remediation Events that may involve personal injury or be litigated.
- j. Monitor outstanding/open remediation work to ensure timely close-out of all portions of the work, including items placed in storage no later than thirty (30) days from date of final closure of loss.
- k. Adjuster shall review the estimate/proposal submitted by the City's Remediation Contractor(s), and shall, upon request from the City, prepare an independent estimate or estimates of their own utilizing the Remediation Contractors' contract rates, terms, and conditions. The independent estimate shall be provided to the City's Technical Representatives.
- l. If the property owner/applicant declines the use of the City's Remediation Contractor(s) for damages to real property, Adjuster shall calculate and recommend a lump-sum payment to settle the losses from the Remediation Event. Should the property owner/applicant agree to a lump sum settlement, the property owner/applicant shall file a claim with the Risk Management Department for loss settlement and payment.
- m. Adjuster shall review invoices submitted by Remediation Contractor(s) for accuracy; confirm the charges conform to the condition, terms, and rates of their contract(s); verify the scope of work established for each Remediation Event; and complete the review within fifteen (15) working days of receipt of invoice(s).
- n. Upon review of the Remediation Contractor(s) invoice(s), Adjuster shall make recommendations to pay the invoice(s) or provide a written report on discrepancies found within the invoice(s) and recommend a revised payment amount.
- o. If directed, Adjuster shall investigate and recommend subrogation possibilities to the City.

2. Reporting

- a. Create and maintain a complete file for each Remediation Event that shall be available for the City to review at any time. The file shall be in an electronic file format accessible to designated City employees during normal working hours, Monday through Friday, 8:00 am through 5:00 pm.
- b. Close all files within sixty (60) days of the last activity and prepare a summary closing report to be provided to the City.
- c. Submit a monthly loss and expenses summary report in a type and format mutually agreed upon by the City and Adjuster. Proposers shall include with their proposal a copy of the loss and expense summary report they currently utilize and provide, if

appropriate, any recommendations they would make to modify the report to meet the City's needs as part of the scope of work listed in this RFP.

- d. Conduct quarterly Remediation Events reviews with City staff, which may occur more frequently when warranted by Remediation Event activity.
- e. Assist the City in an analysis of the losses from Remediation Events and identify trends to prevent future similar losses.
- f. Respond to the City within one (1) business day of contact request.

D. PROFICIENCY INQUIRY

Proposer shall provide the following information regarding staff, resources, experience, and capabilities:

1. Describe Proposer's experience providing AS for real property losses/damages. In particular, describe AS expertise with public entities by providing:
 - a. A list of past and current public entity clients, within the last five (5) years.
 - b. Client turnover rates within the last five (5) years.
 - c. The percentage of clients that are self-insured.
 - d. Your Current Annual Report if the firm is publicly traded.
2. Describe Proposer's approach of the AS role in loss review for the work described in this RFP, including how Proposer has carried out the role under prior similar contracts.
3. Describe Proposer's proposal or recommendation for lump sum payment settlements to claimant.
4. Describe your philosophy and procedures for setting case loss reserves.
 - a. How often are case reserves reviewed and revised?
 - b. What is the structure for the loss payment process?
5. Identify and describe Proposer's risk management system, including the following information:
 - a. Is remote access available and, if so, what kind of remote access?
 - b. What security measures are incorporated into the system?
 - c. How is information accessed and who, within and outside Proposer, is authorized to access the information in the system.

6. Identify and describe the standard reports that are available and describe what the modified reporting capabilities of the information system are, including the following information:
 - a. Does your company have the capability to receive/send on-line reporting of a remediation event?
 - b. A sample loss report shall accompany your proposal. Discuss your willingness and/or capability of modifying the report format to meet the City's needs.
 - c. Discuss your ability to provide monthly statistical data on all activity that occurs each month.
7. Describe how Proposer will ensure that Adjusters are available to perform AS for the City under this contract. This description should, at a minimum, include the following information:
 - a. Discuss normal Adjuster caseloads, current workloads of Adjusters (if this varies from the normal caseload) and how the addition of the City as a client would be absorbed.
 - b. State whether Proposer would be willing to guarantee that the caseloads for Adjusters assigned to the City's contract stay under a certain number, if so, please identify the number and explain how that will ensure that Adjusters are available to provide services to the City. If not, please explain how Proposer will ensure that Adjusters are available to provide services to the City with 24-hour notice.
 - c. Provide staff turnover rates over the last five (5) years.
 - d. Are Adjusters available to go to incident scenes 24-hours a day, seven (7) days a week in the event of an emergency?
 - e. Can Remediation Events be reported 24-hours a day, seven (7) days a week? If yes, what is the process to do so?
 - f. How would Proposer plan to handle a catastrophic Remediation Event (event involving multiple homes and businesses)?
 - g. Describe what differentiates Proposer from other firms providing adjusting services for real property damage or loss.
 - h. Describe how Proposer disposes of confidential or sensitive documents.

E. MANAGEMENT AND IMPLEMENTATION PLAN

Adjuster shall work with the Technical Representatives to identify all administrative procedures that need to be in place for start-up of all services.

F. PROFESSIONAL QUALIFICATIONS

The Proposer shall provide a list of individuals who will be responsible for implementing and managing this contract along with the individuals' qualifications.

G. REFERENCES

The Proposer must demonstrate that they are properly equipped to perform the work as specified in this RFP. The City reserves the right to contact references not provided by the Proposer.

The Proposer is required to provide a minimum of three (3) references to demonstrate successful performance for work of similar size and scope as specified in this contract during the past seven (7) years. References shall be submitted on the Contractor Standards Pledge of Compliance form attached to this RFP. The Proposer cannot provide a current City of San Diego staff member as a reference. If a City staff member is provided, the Proposer will be required to provide an additional reference.

The City shall rely on references as part of the evaluation process. The City reserves the right to take any or all of the following actions: reject a proposal based on an unsatisfactory reference(s), to contact any person or persons associated with the reference, to request additional references, to contact organizations known to have previously used or are currently using the services supplied by the Proposer (as listed in Contractor Standards Pledge of Compliance form attached to this RFP), and to contact independent firms for additional information about the Proposer.

H. COMPENSATION SCHEDULE

1. The Proposer's proposed fees shall be presented on a per-event cost and entered on the provided Fee Schedule (Attachment 1).
2. With respect to the per-event proposal, the Proposer is encouraged to offer a "not to exceed" cap. The proposed fees shall be given on both a "life of the loss" and "life of the contract" basis.
3. The Proposer shall identify, in detail, the type and nature of services being provided for the charge(s). If supplemental charges are to be assessed for any service listed in the Scope of Services, the Proposer is required to list them.

I. SANITARY SEWER OVERFLOW/SPILL & WATER MAIN BREAK/INCIDENT CUSTOMER-SIDE RESPONSE PROCESS

A Flowchart (Attachment 2) is provided, for informational purposes to assist the Proposer in understanding the City process for responding to sewer main backups and water main breaks.

ATTACHMENT 1

FEE SCHEDULE

Loss Range (Individual Loss Range – based on gross loss)	Fee (Must be provided as a flat fee/dollar amount)
<i>Erroneous Assignment</i>	
<i>Loss withdrawn</i>	
<i>Closed Without Action (CWA)</i>	
.01 – 1,000.00	
1,000.01 – 5,000.00	
5,000.01 – 10,000.00	
10,000.01 – 15,000.00	
15,000.01 – 25,000.00	
25,000.01 – 35,000.00	
35,000.01 – 50,000.00	
50,000.01 – 125,000.00	
125,000.01 – 300,000.00	
300,000.01 – 1,000,000.00	
1,000,000.01 and higher	
TOTAL	\$

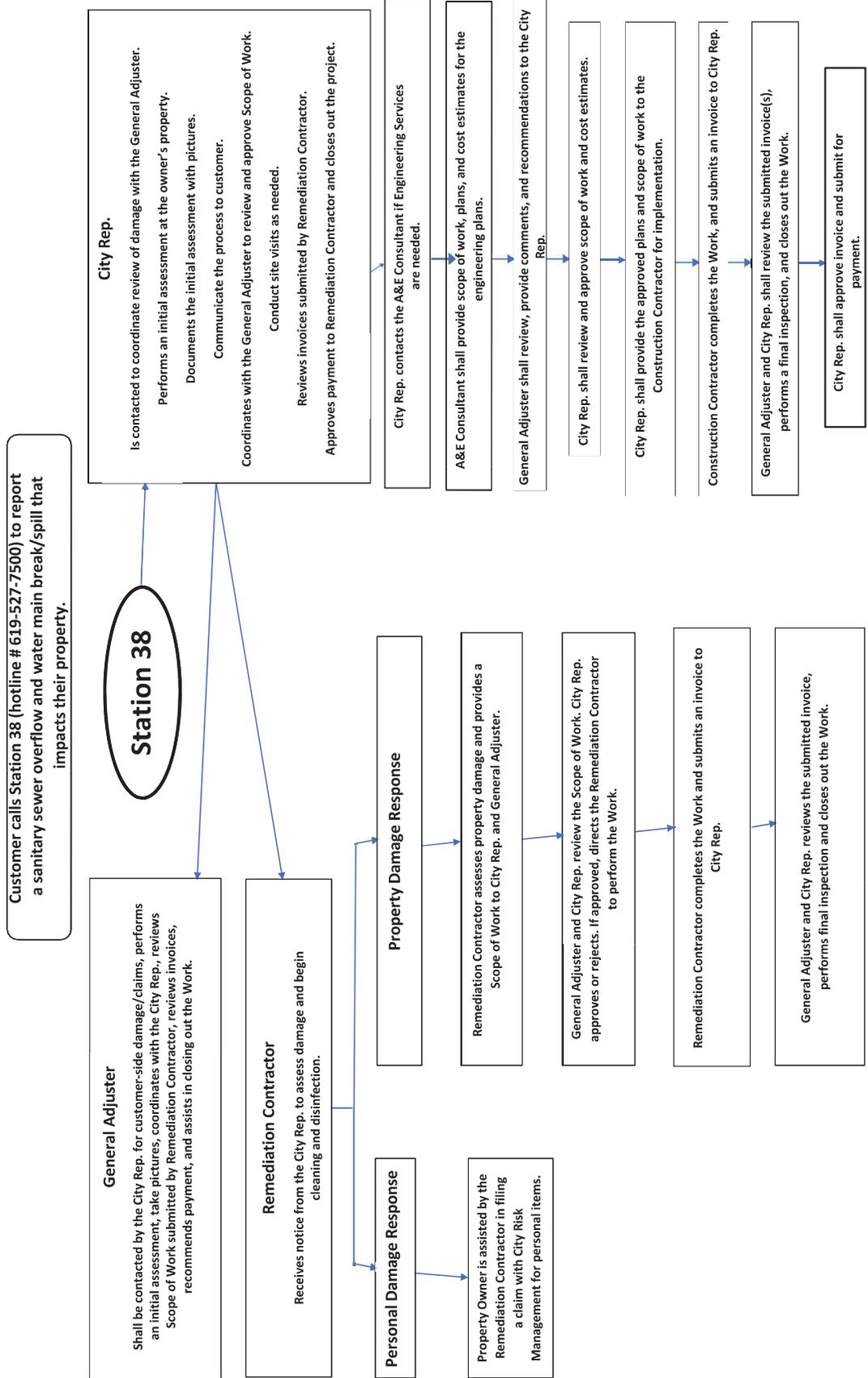
Adjuster Services Fee Schedule Guidance

1. **Gross Loss:** Means the total agreed cost to repair or replace real property.
2. **Loss Withdrawn:** Occurs when a property owner/applicant withdraws a request for property damage repairs or property replacement after the City assigns the Remediation Event to Adjuster but before Adjuster conducts the inspection. Once Adjuster inspects the loss, Adjuster is required to provide a full report and invoice as a Closed Without Action (CWA) case.
3. **Closed Without Action:** CWA cases must include a site visit/inspection at the Remediation Event by the Adjuster with the affected party or their representative present. CWA cases must include photographs and completed required forms.
 - a. **No Coverage** – When it is determined that the City is not responsible for the damage to the third-party property, or the damaged property is not a covered item.
 - b. **Close the file as a CWA** – Adjuster’s narrative report must contain sufficient explanation and documentation of the facts regarding the reason no repairs or payment are due.

4. **Erroneous Assignment:** The City requests Adjuster and it is later determined that the services were requested for a non-affected party.

ATTACHMENT 2

Sanitary Sewer Overflow/Spill & Water Main Break/Incident Customer-side Response Process





THE CITY OF SAN DIEGO
GENERAL CONTRACT TERMS AND PROVISIONS
APPLICABLE TO GOODS, SERVICES, AND CONSULTANT CONTRACTS

ARTICLE I SCOPE AND TERM OF CONTRACT

1.1 Scope of Contract. The scope of contract between the City and a provider of goods and/or services (Contractor) is described in the Contract Documents. The Contract Documents are comprised of the Request for Proposal, Invitation to Bid, or other solicitation document (Solicitation); the successful bid or proposal; the letter awarding the contract to Contractor; the City's written acceptance of exceptions or clarifications to the Solicitation, if any; and these General Contract Terms and Provisions.

1.2 Effective Date. A contract between the City and Contractor (Contract) is effective on the last date that the contract is signed by the parties and approved by the City Attorney in accordance with Charter section 40. Unless otherwise terminated, this Contract is effective until it is completed or as otherwise agreed upon in writing by the parties, whichever is the earliest. A Contract term cannot exceed five (5) years unless approved by the City Council by ordinance.

1.3 Contract Extension. The City may, in its sole discretion, unilaterally exercise an option to extend the Contract as described in the Contract Documents. In addition, the City may, in its sole discretion, unilaterally extend the Contract on a month-to-month basis following contract expiration if authorized under Charter section 99 and the Contract Documents. Contractor shall not increase its pricing in excess of the percentage increase described in the Contract.

ARTICLE II CONTRACT ADMINISTRATOR

2.1 Contract Administrator. The Purchasing Agent or designee is the Contract Administrator for purposes of this Contract, and has the responsibilities described in this Contract, in the San Diego Charter, and in Chapter 2, Article 2, Divisions 5, 30, and 32.

2.1.1 Contractor Performance Evaluations. The Contract Administrator will evaluate Contractor's performance as often as the Contract Administrator deems necessary throughout the term of the contract. This evaluation will be based on criteria including the quality of goods or services, the timeliness of performance, and adherence to applicable laws, including prevailing wage and living wage. City will provide Contractors who receive an unsatisfactory rating with a copy of the evaluation and an opportunity to respond. City may consider final evaluations, including Contractor's response, in evaluating future proposals and bids for contract award.

2.2 Notices. Unless otherwise specified, in all cases where written notice is required under this Contract, service shall be deemed sufficient if the notice is personally delivered or deposited in the United States mail, with first class postage paid, attention to the Purchasing Agent. Proper notice is effective on the date of personal delivery or five (5) days after deposit in a United States postal mailbox unless provided otherwise in the Contract. Notices to the City shall be sent to:

Purchasing Agent
City of San Diego, Purchasing and Contracting Division
1200 3rd Avenue, Suite 200
San Diego, CA 92101-4195

ARTICLE III COMPENSATION

3.1 Manner of Payment. Contractor will be paid monthly, in arrears, for goods and/or services provided in accordance with the terms and provisions specified in the Contract.

3.2 Invoices.

3.2.1 Invoice Detail. Contractor's invoice must be on Contractor's stationary with Contractor's name, address, and remittance address if different. Contractor's invoice must have a date, an invoice number, a purchase order number, a description of the goods or services provided, and an amount due.

3.2.2 Service Contracts. Contractor must submit invoices for services to City by the 10th of the month following the month in which Contractor provided services. Invoices must include the address of the location where services were performed and the dates in which services were provided.

3.2.3 Goods Contracts. Contractor must submit invoices for goods to City within seven days of the shipment. Invoices must describe the goods provided.

3.2.4 Parts Contracts. Contractor must submit invoices for parts to City within seven calendar (7) days of the date the parts are shipped. Invoices must include the manufacturer of the part, manufacturer's published list price, percentage discount applied in accordance with Pricing Page(s), the net price to City, and an item description, quantity, and extension.

3.2.5 Extraordinary Work. City will not pay Contractor for extraordinary work unless Contractor receives prior written authorization from the Contract Administrator. Failure to do so will result in payment being withheld for services. If approved, Contractor will include an invoice that describes the work performed and the location where the work was performed, and a copy of the Contract Administrator's written authorization.

3.2.6 Reporting Requirements. Contractor must submit the following reports using the City's web-based contract compliance portal. Incomplete and/or delinquent reports may cause payment delays, non-payment of invoice, or both. For questions, please view the City's online tutorials on how to utilize the City's web-based contract compliance portal.

3.2.6.1 Monthly Employment Utilization Reports. Contractor and Contractor's subcontractors and suppliers must submit Monthly Employment Utilization Reports by the fifth (5th) day of the subsequent month.

3.2.6.2 Monthly Invoicing and Payments. Contractor and Contractor's subcontractors and suppliers must submit Monthly Invoicing and Payment Reports by the fifth (5th) day of the subsequent month.

3.3 Annual Appropriation of Funds. Contractor acknowledges that the Contract term may extend over multiple City fiscal years, and that work and compensation under this Contract is contingent on the City Council appropriating funding for and authorizing such work and compensation for those fiscal years. This Contract may be terminated at the end of the fiscal year for which sufficient funding is not appropriated and authorized. City is not obligated to pay Contractor for any amounts not duly appropriated and authorized by City Council.

3.4 Price Adjustments. Based on Contractor's written request and justification, the City may approve an increase in unit prices on Contractor's pricing pages consistent with the amount requested in the justification in an amount not to exceed the increase in the Consumer Price Index, San Diego Area, for All Urban Customers (CPI-U) as published by the Bureau of Labor Statistics, or 5.0%, whichever is less, during the preceding one year term. If the CPI-U is a negative number, then the unit prices shall not be adjusted for that option year (the unit prices will not be decreased). A negative CPI-U shall be counted against any subsequent increases in the CPI-U when calculating the unit prices for later option years. Contractor must provide such written request and justification no less than sixty days before the date in which City may exercise the option to renew the contract, or sixty days before the anniversary date of the Contract. Justification in support of the written request must include a description of the basis for the adjustment, the proposed effective date and reasons for said date, and the amount of the adjustment requested with documentation to support the requested change (e.g. CPI-U or 5.0%, whichever is less). City's approval of this request must be in writing.

ARTICLE IV SUSPENSION AND TERMINATION

4.1 City's Right to Suspend for Convenience. City may suspend all or any portion of Contractor's performance under this Contract at its sole option and for its convenience for a reasonable period of time not to exceed six (6) months. City must first give ten (10) days' written notice to Contractor of such suspension. City will pay to Contractor a sum equivalent to the reasonable value of the goods and/or services satisfactorily provided up to the date of suspension. City may rescind the suspension prior to or at six (6) months by providing Contractor with written notice of the rescission, at which time Contractor would be required to resume performance in compliance with the terms and provisions of this Contract. Contractor will be entitled to an extension of time to complete performance under the Contract equal to the length of the suspension unless otherwise agreed to in writing by the Parties.

4.2 City's Right to Terminate for Convenience. City may, at its sole option and for its convenience, terminate all or any portion of this Contract by giving thirty (30) days' written notice of such termination to Contractor. The termination of the Contract shall be effective upon receipt of the notice by Contractor. After termination of all or any portion of the Contract, Contractor shall: (1) immediately discontinue all affected performance (unless the notice directs otherwise); and (2) complete any and all additional work necessary for the orderly filing of

documents and closing of Contractor's affected performance under the Contract. After filing of documents and completion of performance, Contractor shall deliver to City all data, drawings, specifications, reports, estimates, summaries, and such other information and materials created or received by Contractor in performing this Contract, whether completed or in process. By accepting payment for completion, filing, and delivering documents as called for in this section, Contractor discharges City of all of City's payment obligations and liabilities under this Contract with regard to the affected performance.

4.3 City's Right to Terminate for Default. "Either Party's failure to satisfactorily perform any obligation required by this Contract constitutes a default. Examples of default include (1) a determination by City that Contractor has failed to deliver goods and/or perform the services of the required quality or within the time specified; (2) whether either Party failed to perform any of the obligations of this Contract; and (3) whether Contractor failed to make sufficient progress in performance which may jeopardize full performance."

4.3.1 If Contractor fails to satisfactorily cure a default within ten (10) calendar days of receiving written notice from City specifying the nature of the default, City may immediately cancel and/or terminate this Contract, and terminate each and every right of Contractor, and any person claiming any rights by or through Contractor under this Contract.

4.3.2 If City terminates this Contract, in whole or in part, City may procure, upon such terms and in such manner as the Purchasing Agent may deem appropriate, equivalent goods or services and Contractor shall be liable to City for any excess costs. Contractor shall also continue performance to the extent not terminated.

4.4 Termination for Bankruptcy or Assignment for the Benefit of Creditors. If Contractor files a voluntary petition in bankruptcy, is adjudicated bankrupt, or makes a general assignment for the benefit of creditors, the City may at its option and without further notice to, or demand upon Contractor, terminate this Contract, and terminate each and every right of Contractor, and any person claiming rights by and through Contractor under this Contract.

4.5 Contractor's Right to Payment Following Contract Termination.

4.5.1 Termination for Convenience. If the termination is for the convenience of City an equitable adjustment in the Contract price shall be made. No amount shall be allowed for anticipated profit on unperformed services, and no amount shall be paid for an as needed contract beyond the Contract termination date.

4.5.2 Termination for Default. If, after City gives notice of termination for failure to fulfill Contract obligations to Contractor, it is determined that Contractor had not so failed, the termination shall be deemed to have been effected for the convenience of City. In such event, adjustment in the Contract price shall be made as provided in Section 4.3.2. City's rights and remedies are in addition to any other rights and remedies provided by law or under this Contract.

4.6 Remedies Cumulative. City's remedies are cumulative and are not intended to be exclusive of any other remedies or means of redress to which City may be lawfully entitled in case of any breach or threatened breach of any provision of this Contract.

ARTICLE V ADDITIONAL CONTRACTOR OBLIGATIONS

5.1 Inspection and Acceptance. The City will inspect and accept goods provided under this Contract at the shipment destination unless specified otherwise. Inspection will be made and acceptance will be determined by the City department shown in the shipping address of the Purchase Order or other duly authorized representative of City.

5.2 Responsibility for Lost or Damaged Shipments. Contractor bears the risk of loss or damage to goods prior to the time of their receipt and acceptance by City. City has no obligation to accept damaged shipments and reserves the right to return damaged goods, at Contractor's sole expense, even if the damage was not apparent or discovered until after receipt.

5.3 Responsibility for Damages. Contractor is responsible for all damage that occurs as a result of Contractor's fault or negligence or that of its' employees, agents, or representatives in connection with the performance of this Contract. Contractor shall immediately report any such damage to people and/or property to the Contract Administrator.

5.4 Delivery. Delivery shall be made on the delivery day specified in the Contract Documents. The City, in its sole discretion, may extend the time for delivery. The City may order, in writing, the suspension, delay or interruption of delivery of goods and/or services.

5.5 Delay. Unless otherwise specified herein, time is of the essence for each and every provision of the Contract. Contractor must immediately notify City in writing if there is, or it is anticipated that there will be, a delay in performance. The written notice must explain the cause for the delay and provide a reasonable estimate of the length of the delay. City may terminate this Contract as provided herein if City, in its sole discretion, determines the delay is material.

5.5.1 If a delay in performance is caused by any unforeseen event(s) beyond the control of the parties, City may allow Contractor to a reasonable extension of time to complete performance, but Contractor will not be entitled to damages or additional compensation. Any such extension of time must be approved in writing by City. The following conditions may constitute such a delay: war; changes in law or government regulation; labor disputes; strikes; fires, floods, adverse weather or other similar condition of the elements necessitating cessation of the performance; inability to obtain materials, equipment or labor; or other specific reasons agreed to between City and Contractor. This provision does not apply to a delay caused by Contractor's acts or omissions. Contractor is not entitled to an extension of time to perform if a delay is caused by Contractor's inability to obtain materials, equipment, or labor unless City has received, in a timely manner, documentary proof satisfactory to City of Contractor's inability to obtain materials, equipment, or labor, in which case City's approval must be in writing.

5.6 Restrictions and Regulations Requiring Contract Modification. Contractor shall immediately notify City in writing of any regulations or restrictions that may or will require Contractor to alter the material, quality, workmanship, or performance of the goods and/or services to be provided. City reserves the right to accept any such alteration, including any resulting reasonable price adjustments, or to cancel the Contract at no expense to the City.

5.7 Warranties. All goods and/or services provided under the Contract must be warranted by Contractor or manufacturer for at least twelve (12) months after acceptance by City, except automotive equipment. Automotive equipment must be warranted for a minimum of 12,000 miles or 12 months, whichever occurs first, unless otherwise stated in the Contract. Contractor is responsible to City for all warranty service, parts, and labor. Contractor is required to ensure that warranty work is performed at a facility acceptable to City and that services, parts, and labor are available and provided to meet City's schedules and deadlines. Contractor may establish a warranty service contract with an agency satisfactory to City instead of performing the warranty service itself. If Contractor is not an authorized service center and causes any damage to equipment being serviced, which results in the existing warranty being voided, Contractor will be liable for all costs of repairs to the equipment, or the costs of replacing the equipment with new equipment that meets City's operational needs.

5.8 Industry Standards. Contractor shall provide goods and/or services acceptable to City in strict conformance with the Contract. Contractor shall also provide goods and/or services in accordance with the standards customarily adhered to by an experienced and competent provider of the goods and/or services called for under this Contract using the degree of care and skill ordinarily exercised by reputable providers of such goods and/or services. Where approval by City, the Mayor, or other representative of City is required, it is understood to be general approval only and does not relieve Contractor of responsibility for complying with all applicable laws, codes, policies, regulations, and good business practices.

5.9 Records Retention and Examination. Contractor shall retain, protect, and maintain in an accessible location all records and documents, including paper, electronic, and computer records, relating to this Contract for five (5) years after receipt of final payment by City under this Contract. Contractor shall make all such records and documents available for inspection, copying, or other reproduction, and auditing by authorized representatives of City, including the Purchasing Agent or designee. Contractor shall make available all requested data and records at reasonable locations within City or County of San Diego at any time during normal business hours, and as often as City deems necessary. If records are not made available within the City or County of San Diego, Contractor shall pay City's travel costs to the location where the records are maintained and shall pay for all related travel expenses. Failure to make requested records available for inspection, copying, or other reproduction, or auditing by the date requested may result in termination of the Contract. Contractor must include this provision in all subcontracts made in connection with this Contract.

5.9.1 Contractor shall maintain records of all subcontracts entered into with all firms, all project invoices received from Subcontractors and Suppliers, all purchases of materials and services from Suppliers, and all joint venture participation. Records shall show name, telephone number including area code, and business address of each Subcontractor and Supplier, and joint venture partner, and the total amount actually paid to each firm. Project relevant records,

regardless of tier, may be periodically reviewed by the City.

5.10 Quality Assurance Meetings. Upon City's request, Contractor shall schedule one or more quality assurance meetings with City's Contract Administrator to discuss Contractor's performance. If requested, Contractor shall schedule the first quality assurance meeting no later than eight (8) weeks from the date of commencement of work under the Contract. At the quality assurance meeting(s), City's Contract Administrator will provide Contractor with feedback, will note any deficiencies in Contract performance, and provide Contractor with an opportunity to address and correct such deficiencies. The total number of quality assurance meetings that may be required by City will depend upon Contractor's performance.

5.11 Duty to Cooperate with Auditor. The City Auditor may, in his sole discretion, at no cost to the City, and for purposes of performing his responsibilities under Charter section 39.2, review Contractor's records to confirm contract compliance. Contractor shall make reasonable efforts to cooperate with Auditor's requests.

5.12 Safety Data Sheets. If specified by City in the solicitation or otherwise required by this Contract, Contractor must send with each shipment one (1) copy of the Safety Data Sheet (SDS) for each item shipped. Failure to comply with this procedure will be cause for immediate termination of the Contract for violation of safety procedures.

5.13 Project Personnel. Except as formally approved by the City, the key personnel identified in Contractor's bid or proposal shall be the individuals who will actually complete the work. Changes in staffing must be reported in writing and approved by the City.

5.13.1 Criminal Background Certification. Contractor certifies that all employees working on this Contract have had a criminal background check and that said employees are clear of any sexual and drug related convictions. Contractor further certifies that all employees hired by Contractor or a subcontractor shall be free from any felony convictions.

5.13.2 Photo Identification Badge. Contractor shall provide a company photo identification badge to any individual assigned by Contractor or subcontractor to perform services or deliver goods on City premises. Such badge must be worn at all times while on City premises. City reserves the right to require Contractor to pay fingerprinting fees for personnel assigned to work in sensitive areas. All employees shall turn in their photo identification badges to Contractor upon completion of services and prior to final payment of invoice.

5.14 Standards of Conduct. Contractor is responsible for maintaining standards of employee competence, conduct, courtesy, appearance, honesty, and integrity satisfactory to the City.

5.14.1 Supervision. Contractor shall provide adequate and competent supervision at all times during the Contract term. Contractor shall be readily available to meet with the City. Contractor shall provide the telephone numbers where its representative(s) can be reached.

5.14.2 City Premises. Contractor's employees and agents shall comply with all City rules and regulations while on City premises.

5.14.3 Removal of Employees. City may request Contractor immediately remove from assignment to the City any employee found unfit to perform duties at the City. Contractor shall comply with all such requests.

5.15 Licenses and Permits. Contractor shall, without additional expense to the City, be responsible for obtaining any necessary licenses, permits, certifications, accreditations, fees and approvals for complying with any federal, state, county, municipal, and other laws, codes, and regulations applicable to Contract performance. This includes, but is not limited to, any laws or regulations requiring the use of licensed contractors to perform parts of the work.

5.16 Contractor and Subcontractor Registration Requirements. Prior to the award of the Contract or Task Order, Contractor and Contractor's subcontractors and suppliers must register with the City's web-based vendor registration and bid management system. The City may not award the Contract until registration of all subcontractors and suppliers is complete. In the event this requirement is not met within the time frame specified by the City, the City reserves the right to rescind the Contract award and to make the award to the next responsive and responsible proposer of bidder.

ARTICLE VI INTELLECTUAL PROPERTY RIGHTS

6.1 Rights in Data. If, in connection with the services performed under this Contract, Contractor or its employees, agents, or subcontractors, create artwork, audio recordings, blueprints, designs, diagrams, documentation, photographs, plans, reports, software, source code, specifications, surveys, system designs, video recordings, or any other original works of authorship, whether written or readable by machine (Deliverable Materials), all rights of Contractor or its subcontractors in the Deliverable Materials, including, but not limited to publication, and registration of copyrights, and trademarks in the Deliverable Materials, are the sole property of City. Contractor, including its employees, agents, and subcontractors, may not use any Deliverable Material for purposes unrelated to Contractor's work on behalf of the City without prior written consent of City. Contractor may not publish or reproduce any Deliverable Materials, for purposes unrelated to Contractor's work on behalf of the City, without the prior written consent of the City.

6.2 Intellectual Property Rights Assignment. For no additional compensation, Contractor hereby assigns to City all of Contractor's rights, title, and interest in and to the content of the Deliverable Materials created by Contractor or its employees, agents, or subcontractors, including copyrights, in connection with the services performed under this Contract. Contractor

shall promptly execute and deliver, and shall cause its employees, agents, and subcontractors to promptly execute and deliver, upon request by the City or any of its successors or assigns at any time and without further compensation of any kind, any power of attorney, assignment, application for copyright, patent, trademark or other intellectual property right protection, or other papers or instruments which may be necessary or desirable to fully secure, perfect or otherwise protect to or for the City, its successors and assigns, all right, title and interest in and to the content of the Deliverable Materials. Contractor also shall cooperate and assist in the prosecution of any action or opposition proceeding involving such intellectual property rights and any adjudication of those rights.

6.3 Contractor Works. Contractor Works means tangible and intangible information and material that: (a) had already been conceived, invented, created, developed or acquired by Contractor prior to the effective date of this Contract; or (b) were conceived, invented, created, or developed by Contractor after the effective date of this Contract, but only to the extent such information and material do not constitute part or all of the Deliverable Materials called for in this Contract. All Contractor Works, and all modifications or derivatives of such Contractor Works, including all intellectual property rights in or pertaining to the same, shall be owned solely and exclusively by Contractor.

6.4 Subcontracting. In the event that Contractor utilizes a subcontractor(s) for any portion of the work that comprises the whole or part of the specified Deliverable Materials to the City, the agreement between Contractor and the subcontractor shall include a statement that identifies the Deliverable Materials as a “works for hire” as described in the United States Copyright Act of 1976, as amended, and that all intellectual property rights in the Deliverable Materials, whether arising in copyright, trademark, service mark or other forms of intellectual property rights, belong to and shall vest solely with the City. Further, the agreement between Contractor and its subcontractor shall require that the subcontractor, if necessary, shall grant, transfer, sell and assign, free of charge, exclusively to City, all titles, rights and interests in and to the Deliverable Materials, including all copyrights, trademarks and other intellectual property rights. City shall have the right to review any such agreement for compliance with this provision.

6.5 Intellectual Property Warranty and Indemnification. Contractor represents and warrants that any materials or deliverables, including all Deliverable Materials, provided under this Contract are either original, or not encumbered, and do not infringe upon the copyright, trademark, patent or other intellectual property rights of any third party, or are in the public domain. If Deliverable Materials provided hereunder become the subject of a claim, suit or allegation of copyright, trademark or patent infringement, City shall have the right, in its sole discretion, to require Contractor to produce, at Contractor’s own expense, new non-infringing materials, deliverables or works as a means of remedying any claim of infringement in addition to any other remedy available to the City under law or equity. Contractor further agrees to indemnify, defend, and hold harmless the City, its officers, employees and agents from and against any and all claims, actions, costs, judgments or damages, of any type, alleging or threatening that any Deliverable Materials, supplies, equipment, services or works provided under this contract infringe the copyright, trademark, patent or other intellectual property or proprietary rights of any third party (Third Party Claim of Infringement). If a Third Party Claim

of Infringement is threatened or made before Contractor receives payment under this Contract, City shall be entitled, upon written notice to Contractor, to withhold some or all of such payment.

6.6 Software Licensing. Contractor represents and warrants that the software, if any, as delivered to City, does not contain any program code, virus, worm, trap door, back door, time or clock that would erase data or programming or otherwise cause the software to become inoperable, inaccessible, or incapable of being used in accordance with its user manuals, either automatically, upon the occurrence of licensor-selected conditions or manually on command. Contractor further represents and warrants that all third party software, delivered to City or used by Contractor in the performance of the Contract, is fully licensed by the appropriate licensor.

6.7 Publication. Contractor may not publish or reproduce any Deliverable Materials, for purposes unrelated to Contractor's work on behalf of the City without prior written consent from the City.

6.8 Royalties, Licenses, and Patents. Unless otherwise specified, Contractor shall pay all royalties, license, and patent fees associated with the goods that are the subject of this solicitation. Contractor warrants that the goods, materials, supplies, and equipment to be supplied do not infringe upon any patent, trademark, or copyright, and further agrees to defend any and all suits, actions and claims for infringement that are brought against the City, and to defend, indemnify and hold harmless the City, its elected officials, officers, and employees from all liability, loss and damages, whether general, exemplary or punitive, suffered as a result of any actual or claimed infringement asserted against the City, Contractor, or those furnishing goods, materials, supplies, or equipment to Contractor under the Contract.

ARTICLE VII INDEMNIFICATION AND INSURANCE

7.1 Indemnification. To the fullest extent permitted by law, Contractor shall defend (with legal counsel reasonably acceptable to City), indemnify, protect, and hold harmless City and its elected officials, officers, employees, agents, and representatives (Indemnified Parties) from and against any and all claims, losses, costs, damages, injuries (including, without limitation, injury to or death of an employee of Contractor or its subcontractors), expense, and liability of every kind, nature and description (including, without limitation, incidental and consequential damages, court costs, and litigation expenses and fees of expert consultants or expert witnesses incurred in connection therewith and costs of investigation) that arise out of, pertain to, or relate to, directly or indirectly, in whole or in part, any goods provided or performance of services under this Contract by Contractor, any subcontractor, anyone directly or indirectly employed by either of them, or anyone that either of them control. Contractor's duty to defend, indemnify, protect and hold harmless shall not include any claims or liabilities arising from the sole negligence or willful misconduct of the Indemnified Parties.

7.2 Insurance. Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or

in connection with the performance of the work hereunder and the results of that work by Contractor, his agents, representatives, employees or subcontractors.

Contractor shall provide, at a minimum, the following:

7.2.1 Commercial General Liability. Insurance Services Office Form CG 00 01 covering CGL on an “occurrence” basis, including products and completed operations, property damage, bodily injury, and personal and advertising injury with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit. City will accept proprietary forms for General Liability, Additional Insured endorsement and Primary Non-Contributory as long as the coverage is “as least as broad as” the required CG forms that are outlined in the insurance section of the agreement.

7.2.2 Commercial Automobile Liability. Insurance Services Office Form Number CA 0001 covering Code 1 (any auto) or, if Contractor has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than \$1,000,000 per accident for bodily injury and property damage. City will accept proprietary forms for automobile coverage as long as the coverage is “as least as broad as” the required CG forms that are outlined in the 7.2.2.

7.2.3 Workers' Compensation. Insurance as required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.

7.2.4 Professional Liability (Errors and Omissions). For consultant contracts, insurance appropriate to Consultant’s profession, with limit no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.

If Contractor maintains broader coverage and/or higher limits than the minimums shown above, City requires and shall be entitled to the broader coverage and/or the higher limits maintained by Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to City.

7.2.5 Other Insurance Provisions. The insurance policies are to contain, or be endorsed to contain, the following provisions:

7.2.5.1 Additional Insured Status. The City, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to Contractor’s insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used). City will accept a blanket additional insured endorsement.

7.2.5.2 Primary Coverage. For any claims related to this contract, Contractor's insurance coverage shall be primary coverage at least as broad as ISO CG 20 01 04 13 as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by City, its officers, officials, employees, or volunteers shall be excess of Contractor's insurance and shall not contribute with it. **City will accept proprietary Primary Non-Contributory form as long as the coverage is "as least as broad as" the required CG2001 04 13.**

7.2.5.3 Notice of Cancellation. Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to City.

7.2.5.4 Waiver of Subrogation. Contractor hereby grants to City a waiver of any right to subrogation which the Workers' Compensation insurer of said Contractor may acquire against City by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

7.2.5.5 Claims Made Policies (applicable only to professional liability). The Retroactive Date must be shown, and must be before the date of the contract or the beginning of contract work. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, Contractor must purchase "extended reporting" coverage for a minimum of five (5) years after completion of work.

7.3 Self Insured Retentions. Self-insured retentions must be declared to and approved by City. City may require Contractor to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.

7.4 Acceptability of Insurers. Coverage must be placed with insurers acceptable to the City with A.M. Best ratings of not less than A:-VI unless otherwise approved by the City.

City will accept insurance provided by non-admitted, "surplus lines" carriers only if the carrier is authorized to do business in the State of California and is included on the List of Approved Surplus Lines Insurers (LASLI list). All policies of insurance carried by non-admitted carriers are subject to all of the requirements for policies of insurance provided by admitted carriers described herein.

7.5 Verification of Coverage. Contractor shall furnish City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive Contractor's obligation to provide them. City reserves the right

to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

7.6 Special Risks or Circumstances. City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

7.7 Additional Insurance. Contractor may obtain additional insurance not required by this Contract.

7.8 Excess Insurance. All policies providing excess coverage to City shall follow the form of the primary policy or policies including but not limited to all endorsements.

7.9 Subcontractors. Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that City is an additional insured on insurance required from subcontractors. For CGL coverage, subcontractors shall provide coverage with a format at least as broad as the CG 20 38 04 13 endorsement.

ARTICLE VIII BONDS

8.1 Payment and Performance Bond. Prior to the execution of this Contract, City may require Contractor to post a payment and performance bond (Bond). The Bond shall guarantee Contractor's faithful performance of this Contract and assure payment to contractors, subcontractors, and to persons furnishing goods and/or services under this Contract. City does not require Payment and Performance Bond for this contract.

8.1.1 Bond Amount. The Bond shall be in a sum equal to twenty-five percent (25%) of the Contract amount, unless otherwise stated in the Specifications. City may file a claim against the Bond if Contractor fails or refuses to fulfill the terms and provisions of the Contract.

8.1.2 Bond Term. The Bond shall remain in full force and effect at least until complete performance of this Contract and payment of all claims for materials and labor, at which time it will convert to a ten percent (10%) warranty bond, which shall remain in place until the end of the warranty periods set forth in this Contract. The Bond shall be renewed annually, at least sixty (60) days in advance of its expiration, and Contractor shall provide timely proof of annual renewal to City.

8.1.3 Bond Surety. The Bond must be furnished by a company authorized by the State of California Department of Insurance to transact surety business in the State of California and which has a current A.M. Best rating of at least "A-, VIII."

8.1.4 Non-Renewal or Cancellation. The Bond must provide that City and Contractor shall be provided with sixty (60) days' advance written notice in the event of non-renewal, cancellation, or material change to its terms. In the event of non-renewal, cancellation, or material change to the Bond terms, Contractor shall provide City with evidence of the new source of surety within twenty-one (21) calendar days after the date of the notice of non-renewal,

cancellation, or material change. Failure to maintain the Bond, as required herein, in full force and effect as required under this Contract, will be a material breach of the Contract subject to termination of the Contract.

8.2 Alternate Security. City may, at its sole discretion, accept alternate security in the form of an endorsed certificate of deposit, a money order, a certified check drawn on a solvent bank, or other security acceptable to the Purchasing Agent in an amount equal to the required Bond.

ARTICLE IX CITY-MANDATED CLAUSES AND REQUIREMENTS

9.1 Contractor Certification of Compliance. By signing this Contract, Contractor certifies that Contractor is aware of, and will comply with, these City-mandated clauses throughout the duration of the Contract.

9.1.1 Drug-Free Workplace Certification. Contractor shall comply with City's Drug-Free Workplace requirements set forth in Council Policy 100-17, which is incorporated into the Contract by this reference.

9.1.2 Contractor Certification for Americans with Disabilities Act (ADA) and State Access Laws and Regulations: Contractor shall comply with all accessibility requirements under the ADA and under Title 24 of the California Code of Regulations (Title 24). When a conflict exists between the ADA and Title 24, Contractor shall comply with the most restrictive requirement (i.e., that which provides the most access). Contractor also shall comply with the City's ADA Compliance/City Contractors requirements as set forth in Council Policy 100-04, which is incorporated into this Contract by reference. Contractor warrants and certifies compliance with all federal and state access laws and regulations and further certifies that any subcontract agreement for this contract contains language which indicates the subcontractor's agreement to abide by the provisions of the City's Council Policy and any applicable access laws and regulations.

9.1.3 Non-Discrimination Requirements.

9.1.3.1 Compliance with City's Equal Opportunity Contracting Program (EOCP). Contractor shall comply with City's EOCP Requirements. Contractor shall not discriminate against any employee or applicant for employment on any basis prohibited by law. Contractor shall provide equal opportunity in all employment practices. Prime Contractors shall ensure that their subcontractors comply with this program. Nothing in this Section shall be interpreted to hold a Prime Contractor liable for any discriminatory practice of its subcontractors.

9.1.3.2 Non-Discrimination Ordinance. Contractor shall not discriminate on the basis of race, gender, gender expression, gender identity, religion, national origin, ethnicity, sexual orientation, age, or disability in the solicitation, selection, hiring or treatment of subcontractors, vendors or suppliers. Contractor shall provide equal opportunity for subcontractors to participate in subcontracting opportunities. Contractor understands and agrees that violation of this clause shall be considered a material breach of the Contract and may result

in Contract termination, debarment, or other sanctions. Contractor shall ensure that this language is included in contracts between Contractor and any subcontractors, vendors and suppliers.

9.1.3.3 Compliance Investigations. Upon City's request, Contractor agrees to provide to City, within sixty calendar days, a truthful and complete list of the names of all subcontractors, vendors, and suppliers that Contractor has used in the past five years on any of its contracts that were undertaken within San Diego County, including the total dollar amount paid by Contractor for each subcontract or supply contract. Contractor further agrees to fully cooperate in any investigation conducted by City pursuant to City's Nondiscrimination in Contracting Ordinance. Contractor understands and agrees that violation of this clause shall be considered a material breach of the Contract and may result in Contract termination, debarment, and other sanctions.

9.1.4 Equal Benefits Ordinance Certification. Unless an exception applies, Contractor shall comply with the Equal Benefits Ordinance (EBO) codified in the San Diego Municipal Code (SDMC). Failure to maintain equal benefits is a material breach of the Contract.

9.1.5 Contractor Standards. Contractor shall comply with Contractor Standards provisions codified in the SDMC. Contractor understands and agrees that violation of Contractor Standards may be considered a material breach of the Contract and may result in Contract termination, debarment, and other sanctions.

9.1.6 Noise Abatement. Contractor shall operate, conduct, or construct without violating the City's Noise Abatement Ordinance codified in the SDMC.

9.1.7 Storm Water Pollution Prevention Program. Contractor shall comply with the City's Storm Water Management and Discharge Control provisions codified in Division 3 of Chapter 4 of the SDMC, as may be amended, and any and all applicable Best Management Practice guidelines and pollution elimination requirements in performing or delivering services at City owned, leased, or managed property, or in performance of services and activities on behalf of City regardless of location.

Contractor shall comply with the City's Jurisdictional Urban Runoff Management Plan encompassing Citywide programs and activities designed to prevent and reduce storm water pollution within City boundaries as adopted by the City Council on January 22, 2008, via Resolution No. 303351, as may be amended.

Contractor shall comply with each City facility or work site's Storm Water Pollution Prevention Plan, as applicable, and institute all controls needed while completing the services to minimize any negative impact to the storm water collection system and environment.

9.1.8 Service Worker Retention Ordinance. If applicable, Contractor shall comply with the Service Worker Retention Ordinance (SWRO) codified in the SDMC.

9.1.9 Product Endorsement. Contractor shall comply with Council Policy 000-41 which requires that other than listing the City as a client and other limited endorsements, any advertisements, social media, promotions or other marketing referring to the City as a user of a product or service will require prior written approval of the Mayor or designee. Use of the City Seal or City logos is prohibited.

9.1.10 Business Tax Certificate. Unless the City Treasurer determines in writing that a contractor is exempt from the payment of business tax, any contractor doing business with the City of San Diego is required to obtain a Business Tax Certificate (BTC) and to provide a copy of its BTC to the City before a Contract is executed.

9.1.11 Equal Pay Ordinance. Unless an exception applies, Contractor shall comply with the Equal Pay Ordinance codified in San Diego Municipal Code sections 22.4801 through 22.4809. Contractor shall certify in writing that it will comply with the requirements of the EPO.

9.1.11.1 Contractor and Subcontract Requirement. The Equal Pay Ordinance applies to any subcontractor who performs work on behalf of a Contractor to the same extent as it would apply to that Contractor. Any Contractor subject to the Equal Pay Ordinance shall require all of its subcontractors to certify compliance with the Equal Pay Ordinance in its written subcontracts.

ARTICLE X CONFLICT OF INTEREST AND VIOLATIONS OF LAW

10.1 Conflict of Interest Laws. Contractor is subject to all federal, state and local conflict of interest laws, regulations, and policies applicable to public contracts and procurement practices including, but not limited to, California Government Code sections 1090, *et. seq.* and 81000, *et. seq.*, and the Ethics Ordinance, codified in the SDMC. City may determine that Contractor must complete one or more statements of economic interest disclosing relevant financial interests. Upon City's request, Contractor shall submit the necessary documents to City.

10.2 Contractor's Responsibility for Employees and Agents. Contractor is required to establish and make known to its employees and agents appropriate safeguards to prohibit employees from using their positions for a purpose that is, or that gives the appearance of being, motivated by the desire for private gain for themselves or others, particularly those with whom they have family, business or other relationships.

10.3 Contractor's Financial or Organizational Interests. In connection with any task, Contractor shall not recommend or specify any product, supplier, or contractor with whom Contractor has a direct or indirect financial or organizational interest or relationship that would violate conflict of interest laws, regulations, or policies.

10.4 Certification of Non-Collusion. Contractor certifies that: (1) Contractor's bid or proposal was not made in the interest of or on behalf of any person, firm, or corporation not identified; (2) Contractor did not directly or indirectly induce or solicit any other bidder or proposer to put in a sham bid or proposal; (3) Contractor did not directly or indirectly induce or

solicit any other person, firm or corporation to refrain from bidding; and (4) Contractor did not seek by collusion to secure any advantage over the other bidders or proposers.

10.5 Hiring City Employees. This Contract shall be unilaterally and immediately terminated by City if Contractor employs an individual who within the twelve (12) months immediately preceding such employment did in his/her capacity as a City officer or employee participate in negotiations with or otherwise have an influence on the selection of Contractor.

ARTICLE XI DISPUTE RESOLUTION

11.1 Mediation. If a dispute arises out of or relates to this Contract and cannot be settled through normal contract negotiations, Contractor and City shall use mandatory non-binding mediation before having recourse in a court of law.

11.2 Selection of Mediator. A single mediator that is acceptable to both parties shall be used to mediate the dispute. The mediator will be knowledgeable in the subject matter of this Contract, if possible.

11.3 Expenses. The expenses of witnesses for either side shall be paid by the party producing such witnesses. All other expenses of the mediation, including required traveling and other expenses of the mediator, and the cost of any proofs or expert advice produced at the direct request of the mediator, shall be borne equally by the parties, unless they agree otherwise.

11.4 Conduct of Mediation Sessions. Mediation hearings will be conducted in an informal manner and discovery will not be allowed. The discussions, statements, writings and admissions will be confidential to the proceedings (pursuant to California Evidence Code sections 1115 through 1128) and will not be used for any other purpose unless otherwise agreed by the parties in writing. The parties may agree to exchange any information they deem necessary. Both parties shall have a representative attend the mediation who is authorized to settle the dispute, though City's recommendation of settlement may be subject to the approval of the Mayor and City Council. Either party may have attorneys, witnesses or experts present.

11.5 Mediation Results. Any agreements resulting from mediation shall be memorialized in writing. The results of the mediation shall not be final or binding unless otherwise agreed to in writing by the parties. Mediators shall not be subject to any subpoena or liability, and their actions shall not be subject to discovery.

ARTICLE XII MANDATORY ASSISTANCE

12.1 Mandatory Assistance. If a third party dispute or litigation, or both, arises out of, or relates in any way to the services provided to the City under a Contract, Contractor, its agents, officers, and employees agree to assist in resolving the dispute or litigation upon City's request. Contractor's assistance includes, but is not limited to, providing professional consultations,

attending mediations, arbitrations, depositions, trials or any event related to the dispute resolution and/or litigation.

12.2 Compensation for Mandatory Assistance. City will compensate Contractor for fees incurred for providing Mandatory Assistance. If, however, the fees incurred for the Mandatory Assistance are determined, through resolution of the third party dispute or litigation, or both, to be attributable in whole, or in part, to the acts or omissions of Contractor, its agents, officers, and employees, Contractor shall reimburse City for all fees paid to Contractor, its agents, officers, and employees for Mandatory Assistance.

12.3 Attorneys' Fees Related to Mandatory Assistance. In providing City with dispute or litigation assistance, Contractor or its agents, officers, and employees may incur expenses and/or costs. Contractor agrees that any attorney fees it may incur as a result of assistance provided under Section 12.2 are not reimbursable.

ARTICLE XIII MISCELLANEOUS

13.1 Headings. All headings are for convenience only and shall not affect the interpretation of this Contract.

13.2 Non-Assignment. Contractor may not assign the obligations under this Contract, whether by express assignment or by sale of the company, nor any monies due or to become due under this Contract, without City's prior written approval. Any assignment in violation of this paragraph shall constitute a default and is grounds for termination of this Contract at the City's sole discretion. In no event shall any putative assignment create a contractual relationship between City and any putative assignee.

13.3 Independent Contractors. Contractor and any subcontractors employed by Contractor are independent contractors and not agents of City. Any provisions of this Contract that may appear to give City any right to direct Contractor concerning the details of performing or providing the goods and/or services, or to exercise any control over performance of the Contract, shall mean only that Contractor shall follow the direction of City concerning the end results of the performance.

13.4 Subcontractors. All persons assigned to perform any work related to this Contract, including any subcontractors, are deemed to be employees of Contractor, and Contractor shall be directly responsible for their work.

13.5 Covenants and Conditions. All provisions of this Contract expressed as either covenants or conditions on the part of City or Contractor shall be deemed to be both covenants and conditions.

13.6 Compliance with Controlling Law. Contractor shall comply with all applicable local, state, and federal laws, regulations, and policies. Contractor's act or omission in violation of applicable local, state, and federal laws, regulations, and policies is grounds for contract

termination. In addition to all other remedies or damages allowed by law, Contractor is liable to City for all damages, including costs for substitute performance, sustained as a result of the violation. In addition, Contractor may be subject to suspension, debarment, or both.

13.7 Governing Law. The Contract shall be deemed to be made under, construed in accordance with, and governed by the laws of the State of California without regard to the conflicts or choice of law provisions thereof.

13.8 Venue. The venue for any suit concerning solicitations or the Contract, the interpretation of application of any of its terms and conditions, or any related disputes shall be in the County of San Diego, State of California.

13.9 Successors in Interest. This Contract and all rights and obligations created by this Contract shall be in force and effect whether or not any parties to the Contract have been succeeded by another entity, and all rights and obligations created by this Contract shall be vested and binding on any party's successor in interest.

13.10 No Waiver. No failure of either City or Contractor to insist upon the strict performance by the other of any covenant, term or condition of this Contract, nor any failure to exercise any right or remedy consequent upon a breach of any covenant, term, or condition of this Contract, shall constitute a waiver of any such breach of such covenant, term or condition. No waiver of any breach shall affect or alter this Contract, and each and every covenant, condition, and term hereof shall continue in full force and effect without respect to any existing or subsequent breach.

13.11 Severability. The unenforceability, invalidity, or illegality of any provision of this Contract shall not render any other provision of this Contract unenforceable, invalid, or illegal.

13.12 Drafting Ambiguities. The parties acknowledge that they have the right to be advised by legal counsel with respect to the negotiations, terms and conditions of this Contract, and the decision of whether to seek advice of legal counsel with respect to this Contract is the sole responsibility of each party. This Contract shall not be construed in favor of or against either party by reason of the extent to which each party participated in the drafting of the Contract.

13.13 Amendments. Neither this Contract nor any provision hereof may be changed, modified, amended or waived except by a written agreement executed by duly authorized representatives of City and Contractor. Any alleged oral amendments have no force or effect. The Purchasing Agent must sign all Contract amendments.

13.14 Conflicts Between Terms. If this Contract conflicts with an applicable local, state, or federal law, regulation, or court order, applicable local, state, or federal law, regulation, or court order shall control. Varying degrees of stringency among the main body of this Contract, the exhibits or attachments, and laws, regulations, or orders are not deemed conflicts, and the most stringent requirement shall control. Each party shall notify the other immediately upon the identification of any apparent conflict or inconsistency concerning this Contract.

13.15 Survival of Obligations. All representations, indemnifications, warranties, and guarantees made in, required by, or given in accordance with this Contract, as well as all continuing obligations indicated in this Contract, shall survive, completion and acceptance of performance and termination, expiration or completion of the Contract.

13.16 Confidentiality of Services. All services performed by Contractor, and any sub-contractor(s) if applicable, including but not limited to all drafts, data, information, correspondence, proposals, reports of any nature, estimates compiled or composed by Contractor, are for the sole use of City, its agents, and employees. Neither the documents nor their contents shall be released by Contractor or any subcontractor to any third party without the prior written consent of City. This provision does not apply to information that: (1) was publicly known, or otherwise known to Contractor, at the time it was disclosed to Contractor by City; (2) subsequently becomes publicly known through no act or omission of Contractor; or (3) otherwise becomes known to Contractor other than through disclosure by City.

13.17 Insolvency. If Contractor enters into proceedings relating to bankruptcy, whether voluntary or involuntary, Contractor agrees to furnish, by certified mail or electronic commerce method authorized by the Contract, written notification of the bankruptcy to the Purchasing Agent and the Contract Administrator responsible for administering the Contract. This notification shall be furnished within five (5) days of the initiation of the proceedings relating to bankruptcy filing. This notification shall include the date on which the bankruptcy petition was filed, the identity of the court in which the bankruptcy petition was filed, and a listing of City contract numbers and contracting offices for all City contracts against which final payment has not been made. This obligation remains in effect until final payment is made under this Contract.

13.18 No Third Party Beneficiaries. Except as may be specifically set forth in this Contract, none of the provisions of this Contract are intended to benefit any third party not specifically referenced herein. No party other than City and Contractor shall have the right to enforce any of the provisions of this Contract.

13.19 Actions of City in its Governmental Capacity. Nothing in this Contract shall be interpreted as limiting the rights and obligations of City in its governmental or regulatory capacity.

CITY OF SAN DIEGO ADJUSTER SERVICES

RFP No. 10089810-24-J Submitted: August 14, 2024

George Hills

PO Box 278, Rancho Cordova, CA 95741

Phone: (916) 859-4800, Fax: (916) 859-4805



COVER LETTER

August 14, 2024

City of San Diego
Attn: Janet Polite, Senior Procurement Contracting Officer
1200 Third Avenue, Suite 200
San Diego, CA 92101
jpolite@sandiego.gov

RE: Request for Proposal Number 10089810-24-J, Adjuster Services

Dear Ms. Polite,

As Chief Executive Officer of George Hills, I thank you for the opportunity to submit a proposal to provide Adjuster Services for the City of San Diego (the City). Our team will provide exemplary services while increasing efficiencies and reducing the City's total cost of risk. Our claims professionals are highly qualified and experienced with the unique nuances of California's public entities.

George Hills provides third-party administration services to California public entities of all sizes, including nearly 20 JPAs (both primary and excess). We are knowledgeable in the specific exposures California public entities face.

Responsiveness to the RFP: We are proud to know that we meet, and in some cases exceed the City's requirements and evaluation criteria. George Hills is prepared and ready to fulfill the needs of the City.

Public Entity Experience: George Hills has an established record of consistent professional service and reputation within the industry, with specific emphasis on public entities and knowledge of public safety benefits, laws, and immunities.

High Quality References: Our clients are a testament to the quality of service we provide. We serve nearly 200 California cities, including nearly 20 JPAs.

Staffing and Experience: George Hills selectively recruits and retains the industry's best of the best claims professionals. Our team is dedicated to setting the standard for client satisfaction.

Cost Benefit Advantages: With our claims handling best practices to guide us, George Hills' approach is focused on efficient, cost-effective, and strategic resolutions. As a boutique-style firm, we customize our services to fit your needs.

Core Values: George Hills is set apart from other candidates by our core values, which direct and maintain all that we do. George Hills fosters values of honesty, accountability, continuous improvement, collaboration, stewardship, and resilience.

Our claims handling success is focused on the protection of your assets. With 70 years in business, George Hills has achieved a best-in-class reputation. As the CEO and sole owner of George Hills, I promise that you will experience the difference in our approach and feel confident in your decision to work with us. Thank you for considering George Hills for this vital role.

Respectfully submitted,

A handwritten signature in blue ink that reads "John Chaquica". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

John Chaquica, CPA, MBA, ARM

Chief Executive Officer, George Hills Company

Company Contacts: John Chaquica, CEO/Owner & Chris Shaffer, Chief Operating Officer

Office: (916) 859-4824 & (916) 859-4826

Email: john.chaquica@georgehills.com & chris.shaffer@georgehills.com



TAB A: SUBMISSION OF INFORMATION & FORMS

2.1 COMPLETED AND SIGNED CONTRACT SIGNATURE PAGE

George Hills acknowledges the following addenda issued for this RFP:

- Addendum A, issued on July 10, 2024
- Addendum B, issued on July 29, 2024

CITY OF SAN DIEGO

PURCHASING & CONTRACTING DEPARTMENT
1200 Third Avenue, Suite 200
San Diego, CA 92101-4195
Fax: (619) 236-5904

ADDENDUM B

Request for Proposal (RFP) 10089810-24-J Revised Closing Date: **August 14, 2024**
@ 2:00 p.m.

RFP for furnishing the City of San Diego with Adjuster Services

The following changes to the specifications are hereby made effective as though they were originally shown and/or written:

1. Remove the Addendum A cover sheet and replace with the attached Addendum B, cover sheet. (NOTE: The RFP closing date has been extended from **July 31, 2024** to **August 14, 2024** and is in bold font.)
2. Remove the Addendum A Signature Page (Page 3) and replace with the attached Addendum B, Signature Page (Page 3).
3. Add five (5) pages Questions & Answers. (NOTE: The questions and answers are being provided for informational purposes only and are not part of any resulting contract from this RFP.)

CITY OF SAN DIEGO PURCHASING & CONTRACTING DEPARTMENT



Janet Polite
Senior Procurement Contracting Officer

July 29, 2024

Addendum B
July 29, 2024

Document ID: 79243381208199882988471138801113723869295180661797



**Request for Proposal (RFP) for Adjuster Services
Addendum B**

Solicitation Number:	10089810-24-J
Solicitation Issue Date:	June 5, 2024
Pre-Proposal Conference:	No Pre-Proposal Conference will be held.
Questions and Comments Due:	June 12, 2024 @ 12:00 p.m.
Revised Proposal Due Date and Time ("Closing Date"):	August 14, 2024 @ 2:00 p.m.
Contract Terms:	Five (5) years from Effective Date, as defined in Article I, Section 1.2 of the City's General Contract Terms and Conditions.
City Contact:	Janet Polite, Senior Procurement Contracting Officer 1200 Third Avenue, Suite 200 San Diego, California 92101 jpolite@sandiego.gov
Submissions:	Proposer is required to provide an electronic proposal via PlanetBids, of their response as described herein. The City may require Proposers to submit original hard copies prior to execution of the contract if the PlanetBids electronic submission does not include an authorized electronic signature page (e.g., Adobe Sign, DocuSign). Completed and signed RFP signature page is required, with most recent addendum listed as acknowledgement of all addenda issued.

Document ID: 29447d41c201e12d4362d684c015554e151377c23b0e9f29e9180b61a22



5.4 Counterparts. This Contract may be executed in counterparts which, when taken together, shall constitute a single signed original as though all Parties had executed the same page.

5.5 Public Agencies. Other public agencies, as defined by California Government Code section 6500, may choose to use the terms of this Contract, subject to Contractor's acceptance. The City is not liable or responsible for any obligations related to a subsequent Contract between Contractor and another public agency.

IN WITNESS WHEREOF, this Contract is executed by City and Contractor acting by and through their authorized officers.

CONTRACTOR

CITY OF SAN DIEGO
A Municipal Corporation

George Hills Company
Proposer

BY:

PO Box 278
Street Address

Print Name:

Rancho Cordova
City

Director, Purchasing & Contracting
Department

(916) 859-4824
Telephone No.

Date Signed

john.chaquica@georgehills.com
E-Mail

BY:

John Chaquica
~~Signature~~
Proposer's Authorized
Representative

Approved as to form this ____ day of

_____, 20____.
MARA W. ELLIOTT, City Attorney

John Chaquica
Print Name

BY: _____
Deputy City Attorney

CEO, Owner
Title

8/14/2024
Date

2.2 EXCEPTIONS

STANDARD CONTRACT EXCEPTIONS

George Hills Company, Inc. hereby submits the following explanation and recommendation for exceptions, alterations, and/or modifications to the General Contract Terms and Provisions as established by the City of San Diego. George Hills Company has reviewed the General Contract and is willing to submit to the terms and conditions therefore with the following changes:

Original Text in Sample Contract

Article III

COMPENSATION

3.1 Manner of Payment. Contractor will be paid monthly, in arrears, for goods and/or services provided in accordance with the terms and provisions specified in the Contract.

1) Explanation of Reason for Change:

George Hills requires timely payment for all services provided. George Hills also recommends payment by electronic transfer or deposit as the safest, most secure, and most efficient method.

2) Proposed Alternative Language:

George Hills proposes the following additional language at the end of the section:

Failure to timely pay an invoice constitutes breach of contract. For any payment not made within 30 days, Contractor will charge a late fee of \$100 plus interest at the rate of 7% per annum, which amounts will be automatically added to the next invoice. City will pay each invoice by Electronic Funds Transfer ("EFT") or direct deposit, unless an alternative method of payment is deemed by appropriate by both Contractor and City and agreed upon in writing. Contractor will submit a direct deposit authorization request via to City with banking and vendor information, and any other information that the City determines is reasonably necessary to process the payment and comply with all accounting, record keeping, and tax reporting requirements.

3) Description of Impact to Price:

No change to price.

Original Text in Sample Contract

Article IV

SUSPENSION AND TERMINATION

4.1 City's Right to Suspend for Convenience. City may suspend all or any portion of Contractor's performance under this Contract at its sole option and for its convenience for a reasonable period of time not to exceed six (6) months. City must first give ten (10) days' written notice to Contractor of such suspension. City will pay to Contractor a sum equivalent to the reasonable value of the goods and/or services satisfactorily provided up to the date of suspension. City may rescind the suspension prior to or at six (6) months by providing Contractor with written notice of the rescission, at which time Contractor would be required to resume performance in compliance with the terms and provisions

of this Contract. Contractor will be entitled to an extension of time to complete performance under the Contract equal to the length of the suspension unless otherwise agreed to in writing by the Parties.

1) Explanation of Reason for Change:

George Hills recognizes the need for and importance of financial stability and predictability; however, the nature of general liability claims handling is persistently dynamic and susceptible to forces outside the reasonable estimation of either the City or George Hills, *i.e.* legislative changes and amendments, political and social shifting of values, strategies, agendas and wills, and forces of nature. One or more of these forces may substantially alter the burden on the City and therefore on George Hills. To best serve the City and provide the highest quality of service throughout the term of the Contract, George Hills acknowledges that alteration, suspension, and termination could become necessary; however, suspension of the contract would require George Hills to reallocate personnel and resources during the suspension period, depending on length. Since the work to be formed is required and regulated by statute, the work could never completely cease unless the efforts were entirely undertaken by the City directly.

2) Proposed Alternative Language:

George Hills proposes this section be deleted entirely. Alternatively, George Hills requests insertion of the following additional language at the end of the section:

In the event that the City elects to suspend the contract, George Hills reserves the right to terminate the contract for convenience.

3) Description of Impact to Price:

No change to price.

Original Text in Sample Contract

Article IV

SUSPENSION AND TERMINATION

4.2 City's Right to Terminate for Convenience. Entire section.

4.3 City's Right to Terminate for Default. Entire section.

1) Explanation of Reason for Change:

George Hills requests that all rights to termination be made mutual in sections 4.2 and 4.3.

2) Proposed Alternative Language:

Rather than termination rights being exclusive to the City, all such rights should be the mutual right of the parties which may be exercised if circumstances require. It is proposed that the final contract be amended at the time of award to ensure the right is mutual.

3) Description of Impact to Price:

No change to price.

Original Text in Sample Contract

Article VII

INDEMNIFICATION AND INSURANCE

Sections 7.2.1 Commercial General Liability

Section 7.2.2 Commercial Automobile Liability

Section 7.2.5.1 Additional Insured Status

Section 7.2.5.2 Primary Coverage

Each of the above referenced sections identify specific ISO form number compared to which coverage shall be “at least as broad as.”

1) Explanation of Reason for Change:

Through consultation with the broker for George Hills, the carriers providing coverage use proprietary forms generally accepted and in common use in the insurance industry, but which do not always bear any specific ISO number. While George Hills believes all its forms would be compliant with the requirements of the City, it has not undertaken the legal analysis to guarantee a finding of “at least as broad as” any specific ISO form. George Hills will provide for insurance forms to the City for analysis consistent with this requirement.

2) Proposed Alternative Language:

George Hills proposes that the above highlighted sections be changed to read, “...written on an occurrence form reasonably acceptable to the City and in common use in the insurance industry for the identified coverage.”

Alternatively, George Hills will provide the forms to the City for review and confirmation of compliance with the “at least as broad as” requirement.

3) Description of Impact to Price:

This change has no impact on price.

Original Text in Sample Contract

Article VII

INDEMNIFICATION AND INSURANCE

Sections 7.2.4, paragraph 2:

If Contractor maintains broader coverage and/or higher limits than the minimums shown above, City requires and shall be entitled to the broader coverage and/or the higher limits maintained by Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to City.

1) Explanation of Reason for Change:

Insurance coverage carried by George Hills usually limits the coverage available to that which is required by Contract but not greater.

2) Proposed Alternative Language:

No amended language suggested.

3) Description of Impact to Price:

This change has no impact on price.

Original Text in Sample Contract

Article VII

INDEMNIFICATION AND INSURANCE

Sections 7.2.5.1 Additional Insured Status. The City, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used).

1) Explanation of Reason for Change:

Coverage as additional insureds under this provision will be obtained by Blanket Additional Insured Endorsement rather than a specific endorsement.

2) Proposed Alternative Language:

No amended language suggested.

3) Description of Impact to Price:

This change has no impact on price.

Original Text in Sample Contract

Article VII

INDEMNIFICATION AND INSURANCE

7.4 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A-VI, unless otherwise acceptable to City.

City will accept insurance provided by non-admitted, "surplus lines" carriers only if the carrier is authorized to do business in the State of California and is included on the List of Approved Surplus Lines Insurers (LASLI list). All policies of insurance carried by non-admitted carriers are subject to all of the requirements for policies of insurance provided by admitted carriers described herein.

1) Explanation of Reason for Change:

George Hills recommends including insurers that are rated "A-" rather than "A". "A-" is still a secured rating from A.M. Best. Arthur J. Gallagher, the insurance broker for George Hills, has stringent guidelines for insurers that we do business with and "A-" rated insurers provide high quality policies and services but gives George Hills much more flexibility when placing insurance coverage where an "A" rated insurer may not be available at an acceptable price.

2) Proposed Alternative Language:

Coverage must be placed with insurers acceptable to the County with A.M. Best ratings of not less than A:VI unless otherwise approved by the City.

3) Description of Impact to Price:

This change has no impact on price.

Original Text in Sample Contract

Article VIII

BONDS

8.1 Payment and Performance Bond. Prior to the execution of this Contract, City may require Contractor to post a payment and performance bond (Bond). The Bond shall guarantee Contractor's faithful performance of this Contract and assure payment to contractors, subcontractors, and to persons furnishing goods and/or services under this Contract. George Hills does not use subcontractors for its work.

1) Explanation of Reason for Change:

George Hills does not normally post a bond before performing services and payment is only made after services are performed so there are no grounds to require a bond.

2) Proposed Alternative Language:

George Hills requests exemption from this requirement, if it's even applicable to the intended contract.

3) Description of Impact to Price:

This change has no impact on price.

2.3 CONTRACTOR STANDARDS PLEDGE OF COMPLIANCE

City of San Diego CONTRACTOR STANDARDS Pledge of Compliance

The City of San Diego has adopted a Contractor Standards Ordinance (CSO) codified in section 22.3004 of the San Diego Municipal Code (SDMC). The City of San Diego uses the criteria set forth in the CSO to determine whether a contractor (bidder or proposer) has the capacity to fully perform the contract requirements and the business integrity to justify the award of public funds. This completed Pledge of Compliance signed under penalty of perjury must be submitted with each bid and proposal. If an informal solicitation process is used, the bidder must submit this completed Pledge of Compliance to the City prior to execution of the contract. All responses must be typewritten or printed in ink. If an explanation is requested or additional space is required, Contractors must provide responses on Attachment A to the Pledge of Compliance and sign each page. Failure to submit a signed and completed Pledge of Compliance may render a bid or proposal non-responsive. In the case of an informal solicitation or cooperative procurement, the contract will not be awarded unless a signed and completed Pledge of Compliance is submitted. A submitted Pledge of Compliance is a public record and information contained within will be available for public review except to the extent that such information is exempt from disclosure pursuant to applicable law.

By signing and submitting this form, the contractor is certifying, to the best of their knowledge, that the contractor and any of its Principals have not within a five (5) year period – preceding this offer, been convicted of or had a civil judgement rendered against them for commission of a fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (Federal, State or local) contract or subcontract.

“Principal” means an officer, director, owner, partner or a person having primary management or supervisory responsibilities within the firm. The Contractor shall provide immediate written notice to the Procurement Contracting Officer handling the solicitation, at any time prior to award should they learn that this Representations and Certifications was inaccurate or incomplete.

This form contains 10 pages, additional information may be submitted as part of Attachment A.

A. BID/PROPOSAL/SOLICITATION TITLE:

RFP 10089810-24-J for Adjuster Services

B. BIDDER/PROPOSER INFORMATION:

George Hills Company		N/A	
Legal Name		DBA	
PO Box 278	Rancho Cordova	CA	95692
Street Address	City	State	Zip
John Chaquica, CEO	(916) 859-4824	(916) 839-4303	
Contact Person, Title	Phone	Fax	

Provide the name, identity, and precise nature of the interest* of all persons who are directly or indirectly involved** in this proposed transaction (SDMC § 21.0103). Use additional pages if necessary.

* The precise nature of the interest includes:

- the percentage ownership interest in a party to the transaction,
- the percentage ownership interest in any firm, corporation, or partnership that will receive funds from the transaction,
- the value of any financial interest in the transaction,
- any contingent interest in the transaction and the value of such interest should the contingency be satisfied, and
- any philanthropic, scientific, artistic, or property interest in the transaction.

** Directly or indirectly involved means pursuing the transaction by:

- communicating or negotiating with City officers or employees,
- submitting or preparing applications, bids, proposals or other documents for purposes of contracting with the City,
- or
- directing or supervising the actions of persons engaged in the above activity.

John Chaquica	CEO, Owner
Name	Title/Position
El Dorado Hills, CA	
City and State of Residence	Employer (if different than Bidder/Proposer)
Owner, CEO	
Interest in the transaction	

Chris Shaffer	Chief Operating Officer
Name	Title/Position
Lincoln, CA	
City and State of Residence	Employer (if different than Bidder/Proposer)
Chief Operating Officer	
Interest in the transaction	

	Corporate Services Manager
Name	Title/Position
City and State of Residence	Employer (if different than Bidder/Proposer)
Interest in the transaction	

Name	Title/Position
City and State of Residence	Employer (if different than Bidder/Proposer)
Interest in the transaction	

Name	Title/Position
City and State of Residence	Employer (if different than Bidder/Proposer)
Interest in the transaction	

Name	Title/Position
City and State of Residence	Employer (if different than Bidder/Proposer)
Interest in the transaction	



Name	Title/Position
City and State of Residence	Employer (if different than Bidder/Proposer)
Interest in the transaction	

Name	Title/Position
City and State of Residence	Employer (if different than Bidder/Proposer)
Interest in the transaction	

Name	Title/Position
City and State of Residence	Employer (if different than Bidder/Proposer)
Interest in the transaction	

C. OWNERSHIP AND NAME CHANGES:

1. In the past five (5) years, has your firm changed its name?
 Yes No

If **Yes**, use Attachment A to list all prior legal and DBA names, addresses, and dates each firm name was used. Explain the specific reasons for each name change.

2. Is your firm a non-profit?
 Yes No

If **Yes**, attach proof of status to this submission.

3. In the past five (5) years, has a firm owner, partner, or officer operated a similar business?
 Yes No

If **Yes**, use Attachment A to list names and addresses of all businesses and the person who operated the business. Include information about a similar business only if an owner, partner, or officer of your firm holds or has held a similar position in another firm.

D. BUSINESS ORGANIZATION/STRUCTURE:

Indicate the organizational structure of your firm. Fill in only one section on this page. Use Attachment A if more space is required.

Corporation Date incorporated: 12/27/1978 State of incorporation: CA

List corporation's current officers: President: CEO - John Chaquica
 Vice Pres: COO - Chris Shaffer
 Secretary: Catie Chaquica
 Treasurer: _____

Type of corporation: C Subchapter S

Is the corporation authorized to do business in California: **Yes** **No**

If **Yes**, after what date: 12/27/1978



Is your firm a publicly traded corporation? Yes No

If **Yes**, how and where is the stock traded? _____

If **Yes**, list the name, title and address of those who own ten percent (10 %) or more of the corporation's stocks:

Do the President, Vice President, Secretary and/or Treasurer of your corporation have a third party interest or other financial interests in a business/enterprise that performs similar work, services or provides similar goods? Yes No

If **Yes**, please use Attachment A to disclose.

Please list the following:

	Authorized	Issued	Outstanding
--	------------	--------	-------------

a. Number of voting shares:	_____	_____	_____
b. Number of nonvoting shares:	_____	_____	_____
c. Number of shareholders:			_____
d. Value per share of common stock:		Par	\$ _____
		Book	\$ _____
		Market	\$ _____

Limited Liability Company Date formed: _____ State of formation: _____

List the name, title and address of members who own ten percent (10%) or more of the company:

Partnership Date formed: _____ State of formation: _____

List names of all firm partners:

Sole Proprietorship Date started: _____

List all firms you have been an owner, partner or officer with during the past five (5) years. Do not include ownership of stock in a publicly traded company:

Joint Venture Date formed: _____

List each firm in the joint venture and its percentage of ownership:



Note: To be responsive, each member of a Joint Venture or Partnership must complete a separate *Contractor Standards form*.

E. FINANCIAL RESOURCES AND RESPONSIBILITY:

1. Is your firm preparing to be sold, in the process of being sold, or in negotiations to be sold?

Yes No

If **Yes**, use Attachment A to explain the circumstances, including the buyer's name and principal contact information.

2. In the past five (5) years, has your firm been denied bonding?

Yes No

If **Yes**, use Attachment A to explain specific circumstances; include bonding company name.

3. In the past five (5) years, has a bonding company made any payments to satisfy claims made against a bond issued on your firm's behalf or a firm where you were the principal?

Yes No

If **Yes**, use Attachment A to explain specific circumstances.

4. In the past five (5) years, has any insurance carrier, for any form of insurance, refused to renew the insurance policy for your firm?

Yes No

If **Yes**, use Attachment A to explain specific circumstances.

5. Within the last five years, has your firm filed a voluntary petition in bankruptcy, been adjudicated bankrupt, or made a general assignment for the benefit of creditors?

Yes No

If **Yes**, use Attachment A to explain specific circumstances.

6. Are there any claims, liens or judgements that are outstanding against your firm?

Yes No

If **Yes**, please use Attachment A to provide detailed information on the action.

7. Please provide the name of your principal financial institution for financial reference. By submitting a response to this Solicitation Contractor authorizes a release of credit information for verification of financial responsibility.

Name of Bank: California Bank & Trust

Point of Contact: Eva Ayala

Address: 520 Capitol Mall, Suite 750, Sacramento, CA 95814

Phone Number: (916) 341-3780

8. By submitting a response to a City solicitation, Contractor certifies that he or she has sufficient operating capital and/or financial reserves to properly fund the requirements identified in the solicitation. At City's request, Contractor will promptly provide to City



a copy of Contractor's most recent balance sheet and/or other necessary financial statements to substantiate financial ability to perform.

9. In order to do business in the City of San Diego, a current Business Tax Certificate is required. Business Tax Certificates are issued by the City Treasurer's Office. If you do not have one at the time of submission, one must be obtained prior to award.

Business Tax Certificate No.: Application for certificate submitted. Year Issued: _____

F. PERFORMANCE HISTORY:

1. In the past five (5) years, has your firm been found civilly liable, either in a court of law or pursuant to the terms of a settlement agreement, for defaulting or breaching a contract with a government agency?

Yes No

If **Yes**, use Attachment A to explain specific circumstances.

2. In the past five (5) years, has a public entity terminated your firm's contract for cause prior to contract completion?

Yes No

If **Yes**, use Attachment A to explain specific circumstances and provide principal contact information.

3. In the past five (5) years, has your firm entered into any settlement agreement for any lawsuit that alleged contract default, breach of contract, or fraud with or against a public entity?

Yes No

If **Yes**, use Attachment A to explain specific circumstances.

4. Is your firm currently involved in any lawsuit with a government agency in which it is alleged that your firm has defaulted on a contract, breached a contract, or committed fraud?

Yes No

If **Yes**, use Attachment A to explain specific circumstances.

5. In the past five (5) years, has your firm, or any firm with which any of your firm's owners, partners, or officers is or was associated, been debarred, disqualified, removed, or otherwise prevented from bidding on or completing any government or public agency contract for any reason?

Yes No

If **Yes**, use Attachment A to explain specific circumstances.

6. In the past five (5) years, has your firm received a notice to cure or a notice of default on a contract with any public agency?

Yes No

If **Yes**, use Attachment A to explain specific circumstances and how the matter resolved.

7. Performance References:

Please provide a minimum of three (3) references familiar with work performed by your firm which was of a similar size and nature to the subject solicitation within the last five (5) years.

Please note that any references required as part of your bid/proposal submittal are in addition to those references required as part of this form.

Company Name: County of Sacramento

Contact Name and Phone Number: Sarah Baker, (916) 876-5019

Contact Email: bakers@saccounty.gov

Address: 700 H St., Suite 1450 Sacramento, CA 95814

Contract Date: 7/1/2021-6/30/2027

Contract Amount: \$2,850,000.00

Requirements of Contract: Liability & Property Claims Adjusting Services

Company Name: Oakland Unified School District

Contact Name and Phone Number: Rebecca Littlejohn, (510) 879-1611

Contact Email: rebecca.littlejohn@ousd.org

Address: 1011 Union Street Oakland, CA 94607

Contract Date: 6/1/2022-6/30/2025

Contract Amount: \$150,000

Requirements of Contract: Liability & Property Claims Adjusting Services

Company Name: California Association for Park & Recreation Indemnity (CAPRI)

Contact Name and Phone Number: Matt Duarte, (916) 722-5550

Contact Email: mduarte@capri-jpa.org

Address: 6341 Auburn Blvd., Suite A Citrus Heights, CA 95621

Contract Date: 7/1/2023-6/30/2028

Contract Amount: _____

Requirements of Contract: Liability & Property Claims Adjusting Services

G. COMPLIANCE:

1. In the past five (5) years, has your firm or any firm owner, partner, officer, executive, or manager been criminally penalized or found civilly liable, either in a court of law or pursuant to the terms of a settlement agreement, for violating any federal, state, or local law in performance of a contract, including but not limited to, laws regarding health and safety, labor and employment, permitting, and licensing laws?

Yes No

If **Yes**, use Attachment A to explain specific circumstances surrounding each instance. Include the name of the entity involved, the specific infraction(s) or violation(s), dates of instances, and outcome with current status.

2. In the past five (5) years, has your firm been determined to be non-responsible by a public entity?

Yes No

If **Yes**, use Attachment A to explain specific circumstances of each instance. Include the name of the entity involved, the specific infraction, dates, and outcome.

H. BUSINESS INTEGRITY:

1. In the past five (5) years, has your firm been convicted of or found liable in a civil suit for making a false claim or material misrepresentation to a private or public entity?
 Yes **No**

If **Yes**, use Attachment A to explain specific circumstances of each instance. Include the entity involved, specific violation(s), dates, outcome and current status.

2. In the past five (5) years, has your firm or any of its executives, management personnel, or owners been convicted of a crime, including misdemeanors, or been found liable in a civil suit involving the bidding, awarding, or performance of a government contract?
 Yes **No**

If **Yes**, use Attachment A to explain specific circumstances of each instance; include the entity involved, specific infraction(s), dates, outcome and current status.

3. In the past five (5) years, has your firm or any of its executives, management personnel, or owners been convicted of a federal, state, or local crime of fraud, theft, or any other act of dishonesty?
 Yes **No**

If **Yes**, use Attachment A to explain specific circumstances of each instance; include the entity involved, specific infraction(s), dates, outcome and current status.

4. Do any of the Principals of your firm have relatives that are either currently employed by the City or were employed by the City in the past five (5) years?
 Yes **No**

If **Yes**, please disclose the names of those relatives in Attachment A.

I. BUSINESS REPRESENTATION:

1. Are you a local business with a physical address within the County of San Diego?
 Yes **No**

2. Are you a certified Small and Local Business Enterprise certified by the City of San Diego?
 Yes **No**

Certification # _____

3. Are you certified as any of the following:
a. Disabled Veteran Business Enterprise Certification # _____
b. Woman or Minority Owned Business Enterprise Certification # _____
c. Disadvantaged Business Enterprise Certification # _____

J. WAGE COMPLIANCE:

In the past five (5) years, has your firm been required to pay back wages or penalties for failure to comply with the federal, state or local **prevailing, minimum, or living wage laws**? **Yes** **No** If **Yes**, use Attachment A to explain the specific circumstances of each instance. Include the entity involved, the specific infraction(s), dates, outcome, and current status.

By signing this Pledge of Compliance, your firm is certifying to the City that you will comply with the requirements of the Equal Pay Ordinance set forth in SDMC sections 22.4801 through 22.4809.

K. STATEMENT OF SUBCONTRACTORS & SUPPLIERS:

Please provide the names and information for all subcontractors and suppliers used in the performance of the proposed contract, and what portion of work will be assigned to each subcontractor. Subcontractors may not be substituted without the written consent of the City. Use Attachment A if additional pages are necessary. If no subcontractors or suppliers will be used, please write "Not Applicable."

Company Name: Sam Hooper & Associates

Address: _____

Contact Name: Sam Hooper Phone: (888) 344-4634 Email: hooper@hooperandassociates.com

Contractor License No.: Adj. No. 2B 18551, PI No. 188307 DIR Registration No.: _____

Sub-Contract Dollar Amount: \$ Allocated (per year) \$ Allocated (total contract term)

Scope of work subcontractor will perform: Investigative Services

Identify whether company is a subcontractor or supplier: Subcontractor

Certification type (check all that apply): DBE DVBE ELBE MBE SLBE WBE Not Certified

Contractor must provide valid proof of certification with the response to the bid or proposal to receive participation credit.

Company Name: _____

Address: _____

Contact Name: _____ Phone: _____ Email: _____

Contractor License No.: _____ DIR Registration No.: _____

Sub-Contract Dollar Amount: \$ _____ (per year) \$ _____ (total contract term)

Scope of work subcontractor will perform: _____

Identify whether company is a subcontractor or supplier: _____

Certification type (check all that apply): DBE DVBE ELBE MBE SLBE WBE Not Certified

Contractor must provide valid proof of certification with the response to the bid or proposal to receive participation credit.

L. STATEMENT OF AVAILABLE EQUIPMENT:

A full inventoried list of all necessary equipment to complete the work specified may be a requirement of the bid/proposal submission.

By signing and submitting this form, the Contractor certifies that all required equipment included in this bid or proposal will be made available one week (7 days) before work shall commence. In instances where the required equipment is not owned by the Contractor, Contractor shall explain how the equipment will be made available before the commencement of work. The City of San



Diego reserves the right to reject any response, in its opinion, if the Contractor has not demonstrated he or she will be properly equipped to perform the work in an efficient, effective matter for the duration of the contract period.

M. TYPE OF SUBMISSION: This document is submitted as:

- Initial submission of *Contractor Standards Pledge of Compliance*
- Initial submission of *Contractor Standards Pledge of Compliance* as part of a Cooperative agreement
- Initial submission of *Contractor Standards Pledge of Compliance* as part of a Sole Source agreement
- Update of prior *Contractor Standards Pledge of Compliance* dated _____.

Complete all questions and sign below.

Under penalty of perjury under the laws of the State of California, I certify that I have read and understand the questions contained in this Pledge of Compliance, that I am responsible for completeness and accuracy of the responses contained herein, and that all information provided is true, full and complete to the best of my knowledge and belief. I agree to provide written notice to the Purchasing Agent within five (5) business days if, at any time, I learn that any portion of this Pledge of Compliance is inaccurate. Failure to timely provide the Purchasing Agent with written notice is grounds for Contract termination.

I, on behalf of the firm, further certify that I and my firm will comply with the following provisions of SDMC section 22.3004:

(a) I and my firm will comply with all applicable local, State and Federal laws, including health and safety, labor and employment, and licensing laws that affect the employees, worksite or performance of the contract.

(b) I and my firm will notify the Purchasing Agent in writing within fifteen (15) calendar days of receiving notice that a government agency has begun an investigation of me or my firm that may result in a finding that I or my firm is or was not in compliance with laws stated in paragraph (a).

(c) I and my firm will notify the Purchasing Agent in writing within fifteen (15) calendar days of a finding by a government agency or court of competent jurisdiction of a violation by the Contractor of laws stated in paragraph (a).

(d) I and my firm will notify the Purchasing Agent in writing within fifteen (15) calendar days of becoming aware of an investigation or finding by a government agency or court of competent jurisdiction of a violation by a subcontractor of laws stated in paragraph (a).

(e) I and my firm will cooperate fully with the City during any investigation and to respond to a request for information within ten (10) working days.

Failure to sign and submit this form with the bid/proposal shall make the bid/proposal non-responsive. In the case of an informal solicitation, the contract will not be awarded unless a signed and completed *Pledge of Compliance* is submitted.

John Chaquica, CEO
Name and Title


Signature

August 14, 2024
Date

**City of San Diego
CONTRACTOR STANDARDS
Attachment "A"**

Provide additional information in space below. Use additional Attachment "A" pages as needed. Each page must be signed. Print in ink or type responses and indicate question being answered.

I have read the matters and statements made in this Contractor Standards Pledge of Compliance and attachments thereto and I know the same to be true of my own knowledge, except as to those matters stated upon information or belief and as to such matters, I believe the same to be true. I certify under penalty of perjury that the foregoing is true and correct.

John Chaquica, CEO & Owner
Print Name, Title

John Chaquica
Signature

August 14, 2024
Date



2.4 EQUAL OPPORTUNITY CONTRACTING FORMS: WORK FORCE REPORT & CONTRACTORS CERTIFICATION OF PENDING ACTIONS



EQUAL OPPORTUNITY CONTRACTING (EOC)
1200 Third Avenue, Suite 200 • San Diego, CA 92101
Phone: (619) 236-6000 • Fax: (619) 236-5904

BB. WORK FORCE REPORT

The objective of the Equal Employment Opportunity Outreach Program, San Diego Municipal Code Sections 22.3501 through 22.3517, is to ensure that contractors doing business with the City, or receiving funds from the City, do not engage in unlawful discriminatory employment practices prohibited by State and Federal law. Such employment practices include, but are not limited to unlawful discrimination in the following: employment, promotion or upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation, and selection for training, including apprenticeship. Contractors are required to provide a completed Work Force Report (WFR).

**NO OTHER FORMS WILL BE ACCEPTED
CONTRACTOR IDENTIFICATION**

Type of Contractor: Construction Vendor/Supplier Financial Institution Lessee/Lessor
 Consultant Grant Recipient Insurance Company Other

Name of Company: George Hills Company

ADA/DBA: N/A

Address (Corporate Headquarters, where applicable): PO Box 278

City: Rancho Cordova County: Sacramento State: CA Zip: 95741

Telephone Number: (916) 859-4800 Fax Number: (916) 859-4805

Name of Company CEO: John Chaquica

Address(es), phone and fax number(s) of company facilities located in San Diego County (if different from above):

Address: _____

City: _____ County: _____ State: _____ Zip: _____

Telephone Number: _____ Fax Number: _____ Email: _____

Type of Business: S Corporation Type of License: Adjuster

The Company has appointed: Torrie Sorenson

As its Equal Employment Opportunity Officer (EEOO). The EEOO has been given authority to establish, disseminate and enforce equal employment and affirmative action policies of this company. The EEOO may be contacted at:

Address: PO Box 278 Rancho Cordova, CA, 95741

Telephone Number: (530) 214-9659 Fax Number: _____ Email: torrie.sorenson@georgehills.com

- One San Diego County (or Most Local County) Work Force - Mandatory
- Branch Work Force *
- Managing Office Work Force

Check the box above that applies to this WFR.

*Submit a separate Work Force Report for all participating branches. Combine WFRs if more than one branch per county.

I, the undersigned representative of George Hills Company

Sacramento (County), California (State) hereby certify that information provided

herein is true and correct. This document was executed on this 31st day of July, 2024



(Authorized Signature)

John Chaquica

(Print Authorized Signature Name)



WORK FORCE REPORT – Page 2

NAME OF FIRM: George Hills Company **DATE:** 7/31/2024
OFFICE(S) or BRANCH(ES): Folsom **COUNTY:** Sacramento

INSTRUCTIONS: For each occupational category, indicate number of males and females in every ethnic group. Total columns in row provided. Sum of all totals should be equal to your total work force. Include all those employed by your company on either a full or part-time basis. The following groups are to be included in ethnic categories listed in columns below:

- (1) Black or African-American
- (2) Hispanic or Latino
- (3) Asian
- (4) American Indian or Alaska Native
- (5) Native Hawaiian or Pacific Islander
- (6) White
- (7) Other race/ethnicity; not falling into other groups

Definitions of the race and ethnicity categories can be found on Page 4.

ADMINISTRATION OCCUPATIONAL CATEGORY	(1) Black or African American		(2) Hispanic or Latino		(3) Asian		(4) American Indian/ Nat. Alaskan		(5) Pacific Islander		(6) White		(7) Other Race/ Ethnicity	
	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)
Management & Financial											14	4	1	
Professional	2	5	3	15	1	5		2		1	10	20	1	8
A&E, Science, Computer														
Technical														
Sales														
Administrative Support	1	2		8		1	1			2		5		2
Services														
Crafts														
Operative Workers														
Transportation														
Laborers*														

*Construction laborers and other field employees are not to be included on this page

Totals Each Column	3	7	3	23	1	6	1	2	0	3	24	29	2	10
--------------------	---	---	---	----	---	---	---	---	---	---	----	----	---	----

Grand Total All Employees 114

Indicate by Gender and Ethnicity the Number of Above Employees Who Are Disabled:

Disabled						1	1			1		1		1
----------	--	--	--	--	--	---	---	--	--	---	--	---	--	---

Non-Profit Organizations Only:

Board of Directors														
Volunteers														
Artists														

WORK FORCE REPORT -- Page 3

NAME OF FIRM: George Hills Company

DATE: 7/31/2024

OFFICE(S) or BRANCH(ES): Folsom

COUNTY: Sacramento

INSTRUCTIONS: For each occupational category, indicate number of males and females in every ethnic group. Total columns in row provided. Sum of all totals should be equal to your total work force. Include all those employed by your company on either a full or part-time basis. The following groups are to be included in ethnic categories listed in columns below:

- (1) Black or African-American
- (2) Hispanic or Latino
- (3) Asian
- (4) American Indian or Alaska Native
- (5) Native Hawaiian or Pacific Islander
- (6) White
- (7) Other race/ethnicity; not falling into other groups

Definitions of the race and ethnicity categories can be found on Page 4.

TRADE OCCUPATIONAL CATEGORY	(1) Black or African American		(2) Hispanic or Latino		(3) Asian		(4) American Indian/ Nat. Alaskan		(5) Pacific Islander		(6) White		(7) Other Race/ Ethnicity	
	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)
Brick, Block or Stone Masons														
Carpenters														
Carpet, Floor & Tile Installers Finishers														
Cement Masons, Concrete Finishers														
Construction Laborers														
Drywall Installers, Ceiling Tile Inst.														
Electricians														
Elevator Installers														
First-Line Supervisors/Managers														
Glaziers														
Helpers; Construction Trade														
Millwrights														
Misc. Const. Equipment Operators														
Painters, Const. & Maintenance														
Pipelayers, Plumbers, Pipe & Steam Fitters														
Plasterers & Stucco Masons														
Roofers														
Security Guards & Surveillance Officers														
Sheet Metal Workers														
Structural Metal Fabricators & Fitters														
Welding, Soldering & Brazing Workers														
Workers, Extractive Crafts, Miners														

Totals Each Column														
---------------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Grand Total All Employees 0

Indicate By Gender and Ethnicity the Number of Above Employees Who Are Disabled:

Disabled														
-----------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--

AA. CONTRACTORS CERTIFICATION OF PENDING ACTIONS

As part of this Contract, the Contractor must provide to the City a list of all instances within the past 10 years where a complaint was filed or pending against the Contractor in a legal or administrative proceeding alleging that Contractor discriminated against its employees, subcontractors, vendors or suppliers, and a description of the status or resolution of that complaint, including any remedial action taken.

CHECK ONE BOX ONLY.

- The undersigned certifies that within the past 10 years the Contractor has NOT been the subject of a complaint or pending action in a legal administrative proceeding alleging that Contractor discriminated against its employees, subcontractors, vendors or suppliers.
- The undersigned certifies that within the past 10 years the Contractor has been the subject of a complaint or pending action in a legal administrative proceeding alleging that Contractor discriminated against its employees, subcontractors, vendors or suppliers. A description of the status or resolution of that complaint, including any remedial action taken and the applicable dates is as follows:

DATE OF CLAIM	LOCATION	DESCRIPTION OF CLAIM	LITIGATION (Y/N)	STATUS	RESOLUTION/ REMEDIAL ACTION TAKEN

Contractor Name: George Hills Company

Certified By John Chaquica Name Title CEO, Owner
John Chaquica Signature Date August 14, 2024

Equal Opportunity Contracting
 Sole Source Contracts, Cooperative Procurement Contracts
 Goods/Services Contracts Under \$150,000
 Revised 1/1/16
 OCA Document No. 1208377

2.6 LICENSES (FROM EXHIBIT B, SCOPE OF WORK)

3/13/24, 10:44 AM

Siron Platform



Independent Adjuster GEORGE HILLS COMPANY INC

NPN: 2743700
75 IRON POINT CIR STE 175
FOLSOM, CA 95630-8813

is authorized to transact business as described above

License No: 2607498 Issue Date: 06/27/2016 Expiration Date: 05/31/2026

Generated by Siron 316453481

<p>California Department of Insurance THIS IS TO CERTIFY THAT</p>  <p>GEORGE HILLS COMPANY INC 75 IRON POINT CIR STE 175 FOLSOM, CA 95630-8813</p> <p>LICENSE NUMBER: 2607498 NPN: 2743700</p>	<p>IS HEREBY AUTHORIZED TO TRANSACT BUSINESS IN ACCORDANCE TO THE LICENSE DESCRIPTION SHOWN BELOW:</p> <p>Independent Adjuster</p> <p>Issue Date: 06/27/2016 Expiration Date: 05/31/2026 Generated by Siron 316453481</p>
---	--

2.8 ADDITIONAL INFORMATION

SAMPLE TABLE OF CONTENTS FROM GEORGE HILLS' BEST PRACTICES GENERAL LIABILITY CLAIMS HANDLING MANUAL

Introduction

Chapter 1

The Claims File

- File Administration
- Claim File Enclosures

Chapter 2

Procedure for Submission of Claims Involving Public Entities

Chapter 3

Analyzing the Claim for Statute Requirements

- Content of Claim
- Time Limits for Presenting Verified Claims
- Determining the Insufficiency of a Claim
- Amending the Claim
- Late Filing of Claim/Notice to Claimant
- Application of Leave to Present Late Claim
- Denial of Application for Late Claim
- Rejection of Claim
- Time Period Provided for Filing of Lawsuit
- Judicial Relief in Late Claim Cases

Chapter 4

Procedures Followed by the Adjusters

- Reporting
- Reserves
- Cases in Suit
- Property & Structural Damage
- Updating Clients of Major Reserve Changes
- Supervisory Approval of Reserve Changes
- Notification and Updating of Excess Carriers
- Settlement Authority
- Subrogation
- Diaries and Claim Progress Notes
- Medicare Reporting
- MMSEA Reporting Procedures
- Claimant is Medicare Eligible
- Claimant is Not Medicare Eligible
- Settlement and Lien Issues
- Audits



TAB B: EXECUTIVE SUMMARY & RESPONSES TO SPECIFICATIONS



2.11 TABLE OF CONTENTS

TAB A: SUBMISSION OF INFORMATION & FORMS	3
2.1 COMPLETED AND SIGNED CONTRACT SIGNATURE PAGE	4
2.2 EXCEPTIONS	7
2.3 CONTRACTOR STANDARDS PLEDGE OF COMPLIANCE	12
2.4 EQUAL OPPORTUNITY CONTRACTING FORMS: WORK FORCE REPORT & CONTRACTORS CERTIFICATION OF PENDING ACTIONS.....	24
2.6 LICENSES (FROM EXHIBIT B, SCOPE OF WORK)	28
2.8 ADDITIONAL INFORMATION	29
SAMPLE TABLE OF CONTENTS FROM GEORGE HILLS' <i>BEST PRACTICES GENERAL LIABILITY CLAIMS HANDLING MANUAL</i>	29
TAB B: EXECUTIVE SUMMARY & RESPONSES TO SPECIFICATIONS	30
2.12 EXECUTIVE SUMMARY	33
2.13 RESPONSE TO RFP.....	34
A. SPECIFICATIONS	34
B. TECHNICAL REQUIREMENTS	34
C. SCOPE OF SERVICES	36
D. PROFICIENCY INQUIRY.....	40
E. MANAGEMENT AND IMPLEMENTATION PLAN	54
F. PROFESSIONAL QUALIFICATIONS	54
G. REFERENCES.....	57
H. COMPENSATION SCHEDULE	57
TAB C: COST/PRICE PROPOSAL	58
TAB C: COST/PRICE PROPOSAL	59
FEE SCHEDULE.....	59
FEE SECTION TERMS.....	60
FEE STRUCTURE.....	62
ALLOCATED EXPENSES	64
OPTIONAL SERVICES	65

PUBLIC ENTITY 67

TESTIMONIAL STATEMENT 67

TAB D: APPENDIX 69

SAMPLE REPORTS..... 70

SAMPLE LOSS RUN AND EXPENSE SUMMARY REPORT 75

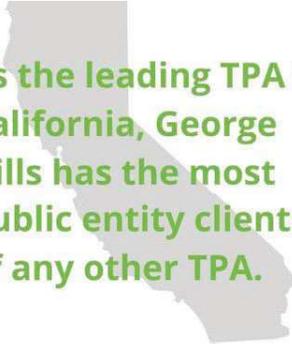
SAMPLE POA..... 76

SAMPLE TRANSITION PLAN 78

SAMPLE CONTRACT 79

2.12 EXECUTIVE SUMMARY

George Hills Company was founded in 1954 and has provided liability and property claims administration services to the public sector for four decades. Since its inception, George Hills has expanded, grown, and branched out in ways consistent with our value of continuous improvement. In addition to third-party claims administration, we provide industry-leading litigation management services, subrogation recovery, investigative services, and JPA management. Today, we work with more public entities in California than any other TPA.



As the leading TPA in California, George Hills has the most public entity clients of any other TPA.

Public Entity Experience: George Hills has made public entity casualty claims adjusting its focus. We put forth considerable effort in recruiting, retaining, and training our employees. We partner with nearly 150 California cities – a significant percentage of the state’s counties both as stand-alone agencies and JPA members.

George Hills’ emphasis on high quality public entity adjusters and our reputation for excellent client services have led us to the forefront for California Public Entities property and liability claims management. For more than half a century, George Hills has specialized in California public entity multi-line claims adjusting

(property and liability) while also providing litigation management and investigative services.

Firm Structure: Our claim division staffing structure ensures that the quality of work we provide will meet your exact expectations. We employ claim executives who have been in the business of serving public entities for most of their careers. We have a hierarchical structure of managers and supervisors who oversee and advise on the work produced by adjusters. Our adjusting staff consists of senior level adjusters, adjusters who are progressing in their careers toward senior level positions and claim processors who provide administrative support as well as key support duties. George Hills’ employees hold professional licenses, BA/BS/MA and JD degrees, and/or industry certifications/designations, including: Independent Insurance Adjuster; Associate in Risk Management (ARM); Registered Professional Adjuster (PRA); Casualty Claim Law Associate (CCLA); California Self-Insured Administrator (SIA); Certified Public Accountant (CPA); Charter Global Management Accountant (CGMA); Certified Litigation Management Professional (CLMP); Property/Casualty Agent; and the California State Bar.

Commitment: Our approach as a third-party administrator is based on our commitment to protect your assets. Our goal is to reduce the number of claims and claims paid amounts by identifying cost drivers, performance gaps, and opportunities for cost reduction. Our project approach centers on transparency and frequent communication with internal and external stakeholders. At the onset, we seek to determine your expectations, which will refine our methodology. Our approach to fulfilling the City’s needs stems from our company’s experience, values, personnel, and our best practices approach to claims handling. Customer satisfaction is paramount and one of our core values – one which guides us in all we do. Our commitment to superior customer service is bolstered by our exceptional, highly qualified staff supported by our unparalleled training and certification program.

2.13 RESPONSE TO RFP

A. SPECIFICATIONS

The City of San Diego (City) is accepting proposals from qualified firms (Adjuster(s)) to provide third party Adjuster Services (AS) for damages and losses to privately owned real property caused by water main breaks and sewer backups (Remediation Events). The services will include coordination with remediation, architecture & engineering, and construction contractor(s) and/or subcontractor(s) (collectively, Remediation Contractor(s)) that provide restoration services at the request of the City after Remediation Events, as well as the review and auditing of invoices submitted by the Remediation Contractor(s). The City averages approximately 100 individual losses per year as the result of approximately 29 Remediation Events. The average annual cost of all remediation-related services to the City is \$2,200,000 per year.

The successful Proposer will work with the Technical Representatives from Public Utilities Department (PUD)'s Water and Wastewater Divisions who will coordinate with the City's Risk Management Department as necessary.

B. TECHNICAL REQUIREMENTS

1. City's Responsibilities

- a. The City will provide Adjuster with information related to each new Remediation Event and additional information as necessary throughout the life of the repairs or settlement of the loss.*
- b. The City will provide Adjuster with general direction regarding investigation of the Remediation Event and make City personnel available for assistance to obtain details related to the Remediation Event.*
- c. The City shall be solely responsible for approving all services or settlements related to Remediation Events. Adjuster has no authority to approve remediation services or settlements on behalf of the City.*

2. Adjuster's Responsibilities

- a. Adjuster shall perform AS, including diligently reviewing and adjusting real property damages resulting from Remediation Events including any costs associated with architecture & engineering services and/or construction services, presented to them by the City according to the professional standards of Adjuster's firm. (A copy of these standards must be submitted as part of the firm's proposal).*
 - i. George Hills will perform Adjuster Services, including diligently reviewing and adjusting real property damages resulting from Remediation Events including any costs associated with architecture & engineering services and/or construction services, presented to them by the City according to our professional standards.*
 - ii. George Hills' Best Practices General Liability Claims Handling Manual and Best Practices General Liability Litigation Manual – both of which all George Hills claims processors, adjusters, and supervisors must follow in accordance with the specific rules, regulations, and requirements of individual Clients – fully support the Scope of Work, Procedures, Processes, and Requests of the City. George Hills' stated mission is always “to provide the highest level of quality,*

customer-focused claims service.” We accomplish this by assigning teams of experience individuals who have managed similar accounts for many years. The *Best Practices General Liability Claims Handling Manual* and *Best Practices General Liability Litigation Manual* are proprietary and for internal use only, but a summary of our claims handling best practices can be found in **Section D: Proposer’s Approach** on **page 41**. A sample Table of Contents for the *Best Practices General Liability Claims Handling Manual* can be found in **Tab A, section 2.8 Additional Information** on **page 27**.

- b.** Adjuster shall coordinate with the City’s remediation contractor(s) for the timely and accurate repair of damages to third party real property. Adjuster shall visit Remediation Event sites, as appropriate, to gauge the size and scale of the damage and verify the accuracy of estimates from the Remediation Contractor(s).

 - i.** George Hills will coordinate with the City’s remediation contractor(s) for the timely and accurate repair of damages to third party real property. George Hills’ Adjuster(s) will visit Remediation Event sites as appropriate, to gauge the size and scale of the damage and verify the accuracy of estimates from the Remediation Contractor(s).
- c.** Adjuster shall make recommendations to the City regarding loss adjusting, processes, and procedures to include, but not limited to, how to notify claimants on claims procedures, reporting and documentation of loss items, preserving of evidence relating to a loss.

 - i.** George Hills will make recommendations to the City regarding loss adjusting, processes, and procedures to include, but not be limited to, how to notify claimants on claims procedures, reporting and documentation of loss items, and preserving of evidence relating to a loss.
- d.** Adjuster shall make settlement recommendations to the City and act promptly on adjudication instructions using reporting methods as approved by the City.

 - i.** George Hills shall make settlement recommendations to the City and act promptly on adjudication instructions using reporting methods as approved by the City.
- e.** Adjuster shall cooperate completely with the City’s Risk Management Department and shall respond to inquiries within one (1) business day.

 - i.** George Hills will cooperate completely with the City’s Risk Management Department and will respond to inquiries within one (1) business day.
- f.** Adjuster shall analyze loss trends quarterly and provide a written report to the City.

 - i.** George Hills will analyze loss trends quarterly and provide a written report to the City.
- g.** Adjuster may be requested to attend up to twelve (12) meetings per year with City staff to discuss matters such as: open repair work on Remediation Events, remediation processes, loss trends, settlement issues, and other related topics.

 - i.** George Hills acknowledges we may be requested to attend up to twelve (12) meetings per year with City staff to discuss matters such as: open repair work on Remediation Events, remediation processes, loss trends, settlement issues, and other related topics.

- h.** Adjuster shall designate one individual as the primary contact for the City account. Adjuster shall ensure that secondary contacts are available in the event the primary contact is unavailable.
 - i.** George Hills will designate one individual as the primary contact for the City's account. George Hills will ensure secondary contacts are available in the event the primary contact is unavailable.
- i.** Adjuster must have experience working with Xactimate Insurance Estimating software or equivalent software (that is compatible with City used software), architecture & engineering costs, and construction costs to oversee and audit information submitted by the City's Remediation Contractor(s).
 - i.** George Hills' Adjusters have 30 years of experience with Xactimate, including the Sketch Method. George Hills is prepared to review and handle any type of property loss, as well as provide timely and professional itemized estimates based on damages inspected. This includes reviewing all testing, engineering, and expert reports, as well as developing a repair scope.

C. SCOPE OF SERVICES

- 1.** Adjuster shall abide by the following instructions while performing AS, unless otherwise directed by City Staff:
 - a.** Promptly create a loss file within twenty-four (24) hours of receipt of an event notification form or event report from the City and contact the affected party or parties of the Remediation Event.
 - i.** George Hills will promptly create a loss file within twenty-four (24) hours of receipt of an event notification form or event report from the City and contact the affected party or parties of the Remediation Event.
 - b.** Contact appropriate City staff and review procedures, whenever there are questions regarding procedures or if procedures have changed.
 - i.** George Hills will contact appropriate City staff and review procedures whenever there are questions regarding procedures or if procedures have changed.
 - c.** Investigate each Remediation Event within twenty-four (24) hours of notification of the event.
 - i.** George Hills will investigate each Remediation Event within twenty-four (24) hours of notification of the event.
 - d.** Upon request from the Technical Representatives, provide the City with an initial assessment, inventory of damages and losses to third party real property, and a best faith estimate of the cost of the damages, including the cost of any necessary architecture & engineering services and/or construction services, within three (3) to five (5) business days of the Remediation Event.
 - i.** Upon request from the Technical Representatives, George Hills will provide the City with an initial assessment, inventory of damages and losses to third party real property, and a best faith estimate of the cost of the damages, including the cost of any necessary architecture & engineering services and/or

construction services, within three (3) to five (5) business days of the Remediation Event.

- e.** Visit the scene of the Remediation Event as appropriate.
 - i.** George Hills will visit the scene of the Remediation Event as appropriate.
- f.** Comply with all Federal, State, and Local safety standards and requirements while conducting field visits.
 - i.** George Hills will comply with all Federal, State, and Local safety standards and requirements while conducting field visits.
- g.** Take photographs, measurements, and video recordings of the scene, depending on the extent of the damage.
 - i.** George Hills will take photographs, measurements, and video recordings of the scene, depending on the extent of the damage.
- h.** Interview affected party or parties and any witnesses of the Remediation Event.
 - i.** George Hills will interview affected party or parties and any witnesses of the Remediation Event.
- i.** Notify the Technical Representatives of Remediation Events that involve damage to or loss of personal property, as well as Remediation Events that may involve personal injury or be litigated.
 - i.** George Hills will notify the Technical Representatives of Remediation Events that involve damage to or loss of personal property, as well as Remediation Events that may involve personal injury or be litigated.
- j.** Monitor outstanding/open remediation work to ensure timely close-out of all portions of the work, including items placed in storage no later than thirty (30) days from date of final closure of loss.
 - i.** George Hills will monitor outstanding/open remediation work to ensure timely close-out of all portions of the work, including items placed in storage no later than thirty (3) days from the date of final closure of loss.
- k.** Adjuster shall review the estimate/proposal submitted by the City's Remediation Contractor(s) and shall, upon request from the City, prepare an independent estimate or estimates of their own utilizing the Remediation Contractors' contract rates, terms, and conditions. The independent estimate shall be provided to the City's Technical Representatives.
 - i.** George Hills' Adjuster will review the estimate/proposal submitted by the City's Remediation Contractor(s) and shall, upon request from the City, prepare an independent estimate or estimates of their own utilizing the Remediation Contractors' contract rates, terms, and conditions. The independent estimate will be provided to the City's Technical Representatives.
- l.** If the property owner/applicant declines the use of the City's Remediation Contractor(s) for damages to real property, Adjuster shall calculate and recommend a lump-sum payment to settle the losses from the Remediation Event. Should the property owner/applicant agree to a lump sum settlement, the property owner/applicant shall file a claim with the Risk Management Department for loss settlement and payment.

- i.** George Hills will submit a monthly loss and expenses summary report in a type and format mutually agreed upon by the City and George Hills. A copy of the loss and expense summary report currently utilized can be found in **Tab D: Appendix** on **page 75**.
- d.** Conduct quarterly Remediation Events reviews with City staff, which may occur more frequently when warranted by Remediation Event activity.
 - i.** George Hills will conduct quarterly Remediation Event reviews with City Staff, which may occur more frequently when warranted by Remediation Event activity.
- e.** Assist the City in an analysis of the losses from Remediation Events and identify trends to prevent future similar losses.
 - i.** George Hills will assist the City in an analysis of the losses from Remediation Events and identify trends to prevent future similar losses.
- f.** Respond to the City within one (1) business day of contact request.
 - i.** George Hills will respond to the City within one (1) business day of contact request.

D. PROFICIENCY INQUIRY

1. Proposer Experience

1. Past and Current Clients

Client	Contact	Services
City of Richmond	Kimberly Chin <i>Senior Assistant City Attorney</i> 450 Civic Center Plaza Richmond, CA 94804 (510) 620-6709 Kimberly_chin@ci.richmond.ca.us	Liability & Property Claims Adjusting
City of Laguna Beach	Fauna Shrago <i>Senior Risk Management Analyst</i> 505 Forest Ave. Laguna Beach, CA 92651 (949) 497-0339 fshrago@lagunabeachcity.net	Liability & Property Claims Adjusting
County of Sacramento	Sarah Baker <i>Risk Manager</i> 700 H St., Suite 1450 Sacramento, CA 95814 (916) 876-5019 bakers@sacounty.gov	Liability & Property Claims Adjusting
County of Fresno	Jenny Thompson <i>Risk Manager</i> 16 th Fl., 2220 Tulare St., Fresno, CA 93721 (555) 600-1862 jmthompson@fresnocountyca.gov	Liability & Property Claims Adjusting
Oakland Unified School District	Rebecca Littlejohn <i>Risk Management</i> 1011 Union Street Oakland, CA 94607 (510) 879-1611 Rebecca.littlejohn@ousd.org	Liability & Property Claims Adjusting
California Association for Park & Recreation Indemnity (CAPRI)	Matt Duarte <i>Executive Director</i> 6341 Auburn Blvd., Suite A Citrus Heights, CA 95621 (916) 722-5550 mduarte@capri-jpa.org	Liability & Property Claims Adjusting

a. Client Turnover

George Hills maintains an ongoing client retention rate of 98%.

b. Self-Insured Clients

Nearly 100% of our hundreds of clients are self-insured.

c. Current Annual Report

George Hills is not publicly traded.

2. Proposer’s Approach

George Hills has developed best practices in claims management, and we believe our process and specific alignment with your needs and expectations collectively results in a reduction of claims expenses.

 <p>CLAIMS APPROACH</p> <p><i>Best Practices General Liability Claims Handling & Litigation Manuals</i></p> <p>George Hills’ best practices approach to claims management centers around early communication and transparency of information.</p>	 <p>QUALITY CONTROL</p> <p>George Hills’ processes, procedures, and methodologies center around adjuster accuracy and customer satisfaction.</p> <p>Quality control comes at the technological (automated) level and the human (adjuster and supervisor) level by George Hills’ supervisors.</p>	 <p>CLIENT SATISFACTION AND AUDIT RESULTS</p> <p>We are committed to exceeding our clients’ expectations.</p> <p>George Hills consistently scores above 95% in audits conducted by outside resources contracted by our clients, their program managers and excess carriers.</p>
---	--	--

Best Practices Claims Approach

George Hills’ *Best Practices General Liability Claims Handling Manual* and *Best Practices General Liability Litigation Manual* are followed by all George Hills claims processors, adjusters, and supervisors in addition to the specific rules, regulations, and requirements of each individual client. These manuals support the scope of work, procedures, processes, and requests of the City. Our stated mission is always “to provide the highest level of quality, customer-focused claims service”. We accomplish this by assigning teams of experienced individuals who have managed similar accounts for many years.

Our best practice approach to claims management centers around early communication and transparency of information. Early communication with claimants leads to faster claim resolution, and the transparency of information provided to the City gives insight to the claims process from inception to close.

Best Practice Quality Control

Our processes, procedures, and methodologies center around adjuster accuracy and customer satisfaction. Quality control comes at the technological (automated) level, and at the human (adjuster/supervisor) level by George Hills’ Supervisors and Client Services Managers.

Communication

Phone calls and emails will be returned within 24 hours. All other written communication will be responded to within three (3) business days.

Contacts

- 24-hour emergency contact will be made within one (1) hour of assignment or phone call.
- Initial contact will be made with the insured/client, claimant, and witness within one (1) business day of receipt of their information. If no contact is made with the claimant, two (2) subsequent contact attempts via telephone will be made within the first 48 hours after receipt of the claim. If we do not have contact information for the claimant, or have incorrect information, extra attempts will be made to secure correct contact information, such as a Google or online 'white pages' search. If the City's protocols are such that a claimant is not to be contacted, this will be documented in the adjuster's file notes.
- An acknowledgement letter or email will be sent to all pertinent parties containing the adjuster's contact information and claim number, unless instructed otherwise.

Best Practices Claim Data and Information Management

George Hills' ability to develop and maintain the City's data metrics for decision-making as well as to provide accurate statistical reporting is due solely to our commitment to best practices in our Information Technology processes. Our Claims Management Information System (CMIS) provides George Hills and our clients with exceptional expert resources. We can rely on our system's commitment to security to ensure your data is safe; to demonstrate this commitment, our team completes an annual disaster recovery exercise to safeguard against potential data loss.

Timely resolution of claims is another best practice we employ. Generally, the longer a file is open the costlier it is for our clients. Superfluous open reserves on a client's book of business can negatively affect financial results. As such, one of the items reviewed by supervisors when they audit files is timeliness of closures. The supervisor will also review whether the adjuster is continuing to update the claim diary. Every time an adjuster interacts with a file, they should do everything necessary to move the file closer to resolution.

Reporting New Claims

Depending on the nature and urgency of an incident, new claims can be reported to George Hills in several ways:

- **Routine, non-urgent tort claims** can be sent via email through our dedicated intake portal, which is monitored by our claims support team to ensure timely setup in the claims system within one (1) business day.
- **More urgent matters** can be reported directly by phone through your designated adjuster, supervisor, or claims processor.
- **After-Hours Critical Incident Response:** The City will be provided with the after-hours contact information for your primary designated adjusters, who can usually respond to the scene of a critical incident within one (1) hour of contact.

File Setup

Within one (1) business day of receiving notification of a new claim – usually the same day – the claims processor will take the following steps:

1. Enter the data into CMIS, including assignment of the adjuster.
2. Attach any paperwork received with the claim to the CMIS.

3. Notify the assigned adjuster of the newly assigned claim.
 - a. These actions trigger the CMIS to set an automatic diary for the adjuster and their supervisor.
4. Send an acknowledgement of new assignment to the City, including claim number and assigned adjuster information.
5. Make initial phone contact with the claimant or their attorney, if so instructed, with the claim number and contact information for the adjuster, including a follow-up acknowledgement letter.

Adjuster Initial Review and Contacts

Upon notification of a new assignment, the adjuster will:

- Review the information in CMIS for accuracy
- Review all attached documents and notes in the file
- Review the tort claim for timeliness and sufficiency and take appropriate action, including recommendations for sending tort claims notices
- Set initial reserves
- Make initial contact with the insured/client, claimant, and witness(es) within one (1) business day of receipt of their information. If no contact is made with the claimant, two (2) subsequent contact attempts via telephone will be made within the first 48 hours after receipt of the claim.

Investigation

An investigation plan is developed for each claim to assess the liability and damages exposure efficiently and effectively. Applying their experience and expertise, the adjuster tailors the scope of investigation to the nature and exposure of the claim. The investigation may include:

- Gathering all internal documents from the City, including reports, maintenance logs, photos, contracts, easements, certificates of insurance, etc.
- Conducting a scene inspection with photos and diagrams as warranted
- Interviewing City staff
- Obtaining official reports
- Interviewing and obtaining statements from the claimant and witnesses
- Obtaining damage estimates, invoices, and/or damage appraisals
- Obtaining all pertinent medical records

George Hills will identify and engage an interpreter/translator that is acceptable to the City. When possible, we will utilize one of our bilingual employees to assist with translation. Where warranted, we will seek authority from the City to engage experts.

Risk Transfer and Indemnity Rights

During our investigation, we actively seek to identify all risk transfer and indemnity/defense rights owed to the City through contracts, agreements, additional insured statuses, easements, etc. With the

City's approval, we promptly and vigorously pursue tender/cross-complaints on behalf of the City against all potentially responsible parties and/or their insurance carriers.

Notification and Updating of Excess Insurers

It is the responsibility of the adjuster to promptly report (within 30 days of receiving notice of a reportable claim) any case meeting the reporting requirements of the excess carrier, or as instructed by the City. The adjuster will also provide status reports to the excess carrier/pool (including reports from defense counsel) at the required intervals.

George Hills will notify the City's excess carrier(s) in any number of situations according to the requirements of the excess policy carrier's stipulations. First, the excess carrier is notified no later than 30 days after receipt of a reportable claim. Second, notification is sent when reserves are set on any reportable claim or suit involving multiple claims or suits arising out of one occurrence, or any claims or reserves amounting to 50 percent or more of the retained limit. Third, excess carriers are notified regarding Title 42 USC 1983 cases in which a complaint has been served and the plaintiff is represented by legal counsel or with reserves of 25 percent or more of the retained limit.

Lastly, regardless of the reserve, notification is sent on any claim involving the following:

- One or more fatalities
- Loss of a limb
- Loss of use of any sensory organ
- Quadriplegia or Paraplegia
- Third degree burns involving 10 percent or more of the body
- Serious facial disfigurement
- Paralysis
- Closed Head injuries

Litigation Management

Through our extensive experience managing claims for hundreds of different public agencies, George Hills has developed the expertise to adapt our litigation management services to fit a wide range of litigation management program structures. This ranges from full litigation management responsibility, including retention and direction of defense counsel and management of defense costs, to basic litigation support for the City's in-house defense team.

George Hills' philosophy and guidelines for providing litigation management services are focused on achieving the best result for our client while aggressively managing costs. This is driven by our litigation best practices, which include:

- Securing the litigation budget within 45 days of assignment to defense counsel. Our adjusters review defense counsel bills in detail to ensure they are reasonable and in line with the litigation budget.
- Training our adjusters to perform a risk weighted analysis early in litigation to establish a target settlement number before incurring extensive defense costs, pursuant to the City's risk protocols.
- Utilizing adjusters to complete tasks when possible, in lieu of an attorney.

- Using statutory settlement offers, such as 998s, when appropriate to possibly recover costs if a favorable verdict is received.

When a claim becomes litigated, George Hills' claims adjusters do not simply assign a file to defense counsel and vanish but operate as true litigation managers. We believe it is the responsibility of our claims adjusters to work closely with defense counsel until the case is resolved and the claim file is closed. A good early investigation, coupled with an experienced litigation manager, helps bring the case to an earlier resolution. We strategize early and often with the client and defense counsel and monitor the case to ensure counsel stays on track.

Our full litigation management services – available as an optional service in **Tab C: Cost** on **page 59**, include the following:

- Within five (5) days of the assignment by the City, contact will be made by the lead claims adjuster and with any assigned defense counsel. An appropriate plan of action will be discussed, and initial case analysis will be reviewed to determine what course of discovery and motion/defense strategy to implement.
- Within 60 days following the assignment of a case, defense counsel will complete and return a complete case analysis to the City, the George Hills adjuster, and the claims supervisor. The case analysis will include a comprehensive evaluation of the case and formalize the defense strategy crafted by the team.
- In addition to the initial case analysis, counsel will provide an accurate estimate of defense costs for all litigated cases as set forth in the exhibits. Defense counsel is expected to stay within the estimated case budget throughout the litigation and to report on fees expended in relation to the budget as requested.
- After the initial case analysis, defense counsel will provide mandatory written status reports at 60-day intervals, setting forth all substantive developments. The defense attorney handling the claim will prepare the status reports. Defense counsel will report only on new developments since the last report, as it is not necessary to repeat case facts or information previously reported. Status reports will be as objective and straightforward as possible to allow the George Hills adjuster and claims supervisor to meaningfully analyze the case and determine the course of action to be taken.
- George Hills monitors defense counsel to ensure that counsel stays true to the plan of action and within the defense budget. This includes monitoring defense counsel procedures, mandating regular reporting by defense counsel, and reviewing legal bills for appropriateness as directed by the American Bar Association standards or by the City's instructions to ensure the claim is resolved in the most cost-efficient manner.
- George Hills has developed specific guidelines that include creating and monitoring a watch list of any claims that, because of allocated expenses, expense reserves, case reserves, or a combination thereof, may present a threat to pooled funds or have already reached pooled funds. Though the City may wish to assign claims to their watch list for the Litigation Manager, George Hills' watch list typically starts at the primary level. If chosen to provide third-party administration services, George Hills will continue to follow these guidelines to create a watch list of claims that have the potential to exceed the City's SIRs and monitor those claims until the case resolves.

Electronic File Management

Claims Progress Notes – All file activity is documented in the Notepad of the electronic claim file as it occurs. Dropdown boxes for notepad types allow the adjuster to be specific as to the type of activity (i.e., phone call, correspondence received or sent, claim filed). The subject line allows for further specific yet brief information for an at-a-glance review in CMIS. Notepads are important to document phone conversations or receipt of materials; they serve as a chronological outline of what activity has taken place.

Claim Documents – All claim documents are attached to the electronic claims files as they are obtained. This includes text/PDF, spreadsheets, photos, audio and video files, in all electronic media formats. Each document is annotated with a description and a corresponding Notepad entry.

Diaries – Upon setup in CMIS, a file review diary is automatically set for the adjuster. Our best practices ensure that each assigned case is reviewed at least one every 30 days for active files, 90 days for extended diaries awaiting activity by others, and up to 180 days on files in which the adjuster is awaiting the expiration of the statute of limitations. All diaries are maintained through CMIS. All activity during the diary review is documented in the Notepad. No claim is re-diaried without specific indication why no further action was taken.

George Hills' claim supervisor will maintain separate diaries and other audit controls necessary to review and ensure timeliness in handling, as well as ensuring other claims standards and reporting requirements are being met.

Plan of Action (POA) – The Plan of Action (POA) is a special Notepad document that provides the current summary of the claim, including current financials (payments and reserves), investigation findings, assessment of the exposure, status of litigation (if applicable), and the plan for moving the claim to resolution. The POA is reviewed and regularly updated at each diary review, or whenever there are material changes in the claim. The POA has proven to be an effective tool for managing the file and a valuable resource for our clients, auditors, and when conducting file reviews. The City will have online access to the POA entries in the claim summary view. A sample POA can be found in **Tab D: Appendix** on **page 76**.

Reserving of Claims

The establishment of reserves is one of the most important tasks we perform for our clients – it impacts critical areas, such as funding levels and budgets. George Hills' philosophy is to set reserves on a "most probable outcome" basis. Our best practice is to establish separate reserves for indemnity and expense; however, we will reserve according to the City's policy. Adjusters are required to set initial file reserves for indemnity and expenses (legal and adjusting) within five (5) days of assignment. Adjusters review claim reserves each time they interact with a file, and specifically on each diary date. Reserves take into consideration liability as to the City and comparative fault of the claimant/plaintiff, type of injury, damages, prognosis, expenses (e.g., medical and wage), and any anticipated general damages. Litigated files include separate reserves for legal expenses based on a current litigation plan and budget.

Timeline of the Claims Handling Process

The following takes place from receipt of a new claim:

Within 24 Hours

- Index new correspondence and new claims for damages to determine if they belong to an existing claim
- Claims data entered into ClaimsXpress, our CMIS
- Acknowledgement of new assignment sent to the City
- Claimant/Claimant's attorney is called, emailed, or both to acknowledge and provide claim and adjuster information

Within 2 Days

- Two-point contact made with claimant (or their attorney) and the City

Within 5 Days

- Reserves Set

Within 30 Days

- Claim tendered (if appropriate)
- Liability determination
- Excess carriers notified

Monthly

- Monitor closing ratios
- Statistical report (all claims activity) provided to the City
- Payment register provided to the City
- Plan of Action (POA) updated
- Watch list claims meetings
- Case reviews (90 days if waiting for activity by others, 180 days if waiting on expiration of a statute of limitations)

Cost Saving Methods

Through our efficient and thorough investigation, there is a two-point contact within one (1) business day of receipt of each claim. We ensure the liability investigation is completed early, and many claims are not pursued when they are denied or rejected early in the process. In these instances:

- **Attorneys Will Likely Pass On The Case:** Attorneys are less likely to take a case that has already been denied.
- **Establishing Defense Early:** By not establishing your defense position early, a claimant is often more likely to think they will receive a settlement.
- **Securing Witness And Claimant Statements Early:** This action is essential, lest they forget critical details or revise the facts to help their position.

- **Indexing Claimants Pursuing Injury Claims:** We verify if they have made similar claims in the past, and/or have prior injuries that are unrelated to our matter.
- **Secure Complete Medical Records:** If there is liability and injuries are claimed, we secure complete medical records to check for pre-existing conditions.

We explore all tender possibilities based on the claimants' allegations, because allegations trigger coverage regardless of liability.

Small Claims

George Hills claims adjusters have extensive experience successfully representing our clients in Small Claims courts. When served with a notice of Small Claims Hearing, the adjuster will work closely with City staff and legal counsel to prepare the case for presentation at the hearing, including witnesses and supporting documents.

3. Payment of Settlements

After the initial inspection, a captioned report will be completed and a description of damages will be provided. Under the separate coverage lines, a reserve dollar amount will be provided. At that time, a detailed breakdown will be submitted for the lump sum payment being requested.

George Hills has extensive experience managing trust accounts for our clients, from which all claim payments can be processed, issued, and captured in financials for the claim. We are also able to record any payments made directly by our clients with the same level of detail. All payments through live checks or manual transactions require sufficient approved reserves prior to processing. Additionally, we record all recoveries, including payments by excess carriers.

We will obtain proper authority from the City and secure all supporting documents (releases, settlement agreements, dismissals, invoices, W9 forms, OFAC checks, etc.) prior to issuing or recording any payments.

4. Setting Loss Reserves

Initial reserves are set at the time of the initial inspection, but are subject to being raised or lowered based on new information received during the ongoing investigation. If a reserve amount is changed, a detailed explanation will be provided as to why this is requested.

a. Frequency of Case Reviews

Typically, a monthly review/report is provided for each claim handled. If new information is received and the reserve needs to be adjusted, it is addressed at that time. For example, if a building is tested and asbestos or lead is present and additional abatement requires an increase in building repair costs. Concurrently, this also increases the additional living expenses and the reserve dollars will require an increase on two coverage lines.

b. Loss Payment Process Structure

Depending on the settlement authority granted to George Hills based on client-specific Client Handling Instructions – designed during onboarding – settlement authority should be obtained and documented in the file notes. The levels of authority vary from client to client. The Adjuster must obtain settlement authority from the client in advance of any offer, either in writing by the client or with verbal authorization documented in their file. Once authority has been extended, prompt settlement negotiations can be conducted by George Hills, or by counsel with George Hills' approval. Disposition plans during active settlement negotiations are updated every 14 days. In all other cases,

30-day diaries are appropriate. These file notes contain information on offers and demands from each party during negotiations.

5. Risk Management Information System



ClaimsXpress Claims

George Hills has used ClaimsXpress as our Claims Management Information System (CMIS) for 9 years. ClaimsXpress (CXP) is a secure cloud browser-based software system that allows our claims adjusters to work anywhere, from the scene of an incident to our corporate office. Similarly, the system being browser-based allows the City 24-hour, read-only real-time access of its claims information. George Hills owns perpetual licenses to CXP and we contract with Spear Claims to provide the Microsoft Azure-based secure cloud, in which our clients' data is housed.

Searching within CXP for specific claims data is simple, but to minimize the need to search, George Hills has developed dashlets within ClaimsXpress to allow the City and adjusters quick access to relevant claims information right on their homepage.

As part of the onboarding process, George Hills will hold a training session with all potential client-side ClaimsXpress users, ensuring that everyone has the desired level of access and understanding of the system.

ClaimsXpress is an entirely paperless system. All claim files are stored electronically in a secured Microsoft Azure cloud hosted by Spear Claims, available to any authorized user, using any browser, at any time.

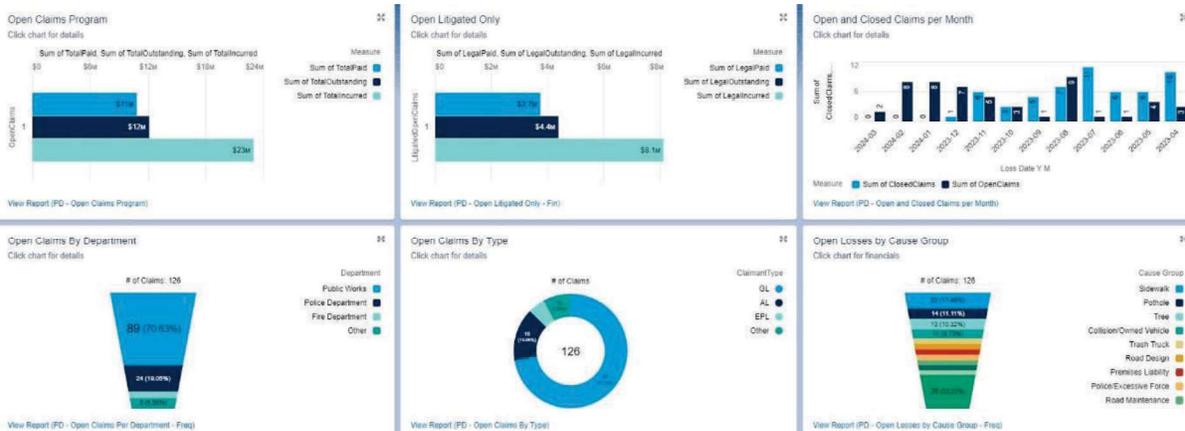
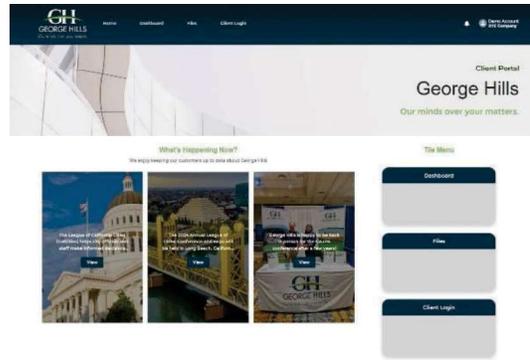
ClaimsXpress is configured to enforce additional security measures when necessary. It can limit a user's access to claim information by a client's organization structure, for example allowing access to view claims for a single location or for the entire organization. CXP also includes identifiers for highly sensitive or confidential claims. When a claim is flagged as confidential, ClaimsXpress will limit access to that claim by individual User ID.

The use of ClaimsXpress increases our firm's service capabilities for the City and enhances our service workflow efficiencies and custom reporting capabilities. The alignment of these technologies with George Hills' services is of great value to the City by providing real-time access to decision-making data, metrics, and trends. When it comes to read-only access, reporting, and modification abilities to meet the City's needs, our technology offering is unmatched.

Client Portal

George Hills is thrilled to launch our self-service client portal. The City will have their own dedicated Portal for staff to access. We can tailor the Portal to directly complement the City's preferred level of access. This new web-based platform provides our clients with exclusive access to the following features:

- Secure file sharing and document management
- Quick reporting and metrics on dashboard
- Simple user interface
- George Hills' news and alerts



6. Reporting

a. Online Reporting

ClaimsXpress has a set of standard claims handling reports available to every client, but the system can also be customized to produce unique reports specific to the City. The City can safely and securely access their reports via an automated encrypted email from their Client Services Manager or the dedicated reporting team. All these reports can be exported to Microsoft Excel or Adobe PDF formats on demand by either George Hills staff or City staff.

Our ability to maintain data and provide enhanced statistical reporting is due to our long use of best practices with technology. George Hills' proprietary iMetrics Business Intelligence Reporting service provides optimum targeted, on-demand data for liability and property claims decision-making.

b. Sample Loss Report

Samples of reports available, including a Loss report, can be found in **Tab D: Appendix** on **page 70**.

c. Monthly Statistical Data

Each adjuster will have their files on a diary system and monthly reports will be provided on the claims status. This report will address reserves, payments, and updates of each coverage line.

7. Adjuster Availability

a. Adjuster Caseloads

Claim file assignments are made by or at the direction of the supervisor or manager on each client account. Claims supervisors are only directly assigned claims under very rare circumstances; typically, a claims supervisor will not carry any open claims. As part of our boutique design, our claims assignment strategy will be specifically tuned to the needs of the City. George Hills often designates a specific adjuster on a team for high frequency, low severity claims. Claims involving critical exposures, such as molestation, officer-involved shootings, or sewer losses require adjusters with highly specific technical expertise. Our claim handling procedures articulate the specific adjusters who will be assigned to those claims.

George Hills Claims Adjuster assignments and caseloads are based on the complexity of their claims; typically, senior bodily injury adjusters' caseloads are 125-150 pending files, and senior property adjusters' caseloads are 150-200 pending files. Adjusters handling auto, property, and subrogation claims average between 100-125 pending files.

We attempt to impose a maximum caseload of 150 pending files, but we recognize that there are occasions when files on an adjuster's pending list are dormant as they await the expiration of the statute following a claim rejection. The City can expect ample adjuster coverage when illness or absences arise; whenever needed, George Hills' deep bench of adjusters throughout the State of California are always available as a backup resource.

b. Caseload Guarantee

We keep our property adjusters assigned to a contract under 25 open files. This number allows us to effectively handle claims in a timely and efficient manner. If the assigned adjuster exceeds that amount, another highly-trained member of the George Hills team will seamlessly step in to assist. We are always increasing our staffing with highly-qualified and experienced property adjusters specifically for this purpose.

c. Staff Turnover Rate

The average tenure of managers and supervisors with George Hills is 25 years. We have historically maintained a low turnover of staff and clients. In the last two years, our turnover rate has averaged less than 4% per year.

d. Adjuster Availability

George Hills' adjusters and supervisors are available on a 24-hour/on-call basis and are all supported by staff for continued high-level attention to our clients' needs. In the event of a catastrophic event, we are able to respond to any emergency.

e. Remediation Event Reporting

Yes, Remediation Events can be reported in a variety of ways depending on the urgency and severity of the incident. Claims can be reported to George Hills 24 hours a day, 7 days a week.

- **Routine, non-urgent tort claims** can be sent via email through our dedicated intake portal, which is monitored by our claims support team to ensure timely setup in the claims system within one (1) business day.
- **More urgent matters** can be reported directly by phone through your designated adjuster, supervisor, or claims processor.

- **After-Hours Critical Incident Response:** The City will be provided with the after-hours contact information for your primary designated adjusters, who can usually respond to the scene of a critical incident within one (1) hour of contact.

f. Catastrophic Remediation Events

In the event of a Catastrophic Remediation Event, George Hills' Adjusters attempt to be on-site with the CAT Team within 48-72 hours, if possible. Once on site, the team will secure a hotel with a conference room within 25-50 miles of the event. This location must be safe and have functioning amenities such as meals, beverages, and free Wi-Fi. Access to a company credit card is confirmed and limits are increased. Adjusters make sure to carry cash in the event electricity availability impacts ATM usage. The Company may provide gas or fuel for employee vehicles, and if necessary, security to protect gas or fuel. The company will rent an RV to remain parked at the local CAT center per each individual event. A bank of rooms will be booked for scheduled examiners, management, and other pertinent staff. Payment advances may be issued to bank accounts. Once the area is opened by local authorities, losses are assigned to George Hills' Examiners and IA's. Upon arrival the Company will purchase or ship necessary equipment, such as ladders, measuring tape, flashlights, etc.

Once on site, assignments will have been sent in our CMIS, ClaimsXpress, and via email. Each employee on CAT duty will have a cellphone with a hotspot. Vehicles may be rented if necessary. A general meeting is held to explain the plan and expectations of the team. Each team member's duration should not exceed 3 weeks, with a minimum 3-day break and travel time home. The work schedule is 7:00 AM to 7:00 PM during the duration of the stay. Examiners and staff manage breaks for lunch, laundry, shopping, or other errands. Contents Examiners will work from the aforementioned conference room to assist with inventory and walk-in customers.

A call center will be established, including a dedicated 1-800 number for the catastrophic event. A George Hills banner will be placed on the exterior and interior of the conference space. The RV rented for the event will be marked with a George Hills banner. Water and food will be set up to distribute to insureds during their visit to the conference center. A minimum of 2 George Hills staff will remain working inside the conference center during the business day.

Vendors will be set up through Xactanalysis and will be specific to the event.

The George Hills CAT plan includes methods on reporting a claim, disaster preparedness, disaster response, and FEMA contact information.

g. Benefits of George Hills

George Hills	Advantage Over Comparable Firms
 <p>George Hills selectively recruits and retains the industry’s best of the best public entity claims adjusters.</p>	<p>Other TPAs have experienced adjusters that may focus on private entities or are not as experienced in public entity claims adjusting.</p>
 <p>A boutique organization by design, we provide customized services to meet your needs, not have you fit into our system. George Hills has one owner, who is involved, available, and committed to meeting regularly.</p>	<p>Several TPA firms are large companies that may not have the time and focus on providing customized services to meet the needs of the City. Our Public Entity Management team is comprised of leaders in the industry.</p>
 <p>Providing expert liability, property, med-mal, and subrogation services for public entities is our one and only focus. George Hills has nearly 500 California public entities including over nearly 20 JPAs.</p>	<p>Many other TPA firms provide multi-line services to a variety of private and public entities, and therefore don’t specialize in the specific needs that public entities require.</p>
 <p>George Hills has developed our own comprehensive and effective public entity claims training program, George Hills Claims University (GHCU).</p>	<p>George Hills is the first and only TPA to launch its own learning program. Managed through a Learning Management System, GHCU provides continuous matriculation for our current and future employees and now to our clients, and soon the general public.</p>
 <p>George Hills’ use of our CMIS, and our Trademarked iMetrics reports, give our clients unique access to the claims process at every stage and allow clients to run customized reports.</p>	<p>Although some TPAs have their own claims system, which may be multi-line and private sector, our CMIS provides enhanced, customizable system reporting that is specific to public entities and unparallel to other firms’ capabilities.</p>
 <p>George Hills has developed a client-facing portal, which provides dashboards and secure online areas for file sharing and collaboration.</p>	<p>We are one of the few TPAs that offer a resourceful, web-based portal that our clients can customize to fit their risk management and reporting needs.</p>
 <p>George Hills has two in-house attorneys that serve as our Litigation Managers, as well as assist clients and adjusting staff by applying their extensive public entity experience.</p>	<p>Although a couple of larger TPAs may have legal resources, our in-house attorneys are readily accessible and are routinely utilized by our claims adjusters and are available to our clients.</p>

h. Confidential Documentation

George Hills disposes of confidential and/or sensitive documents by shredding and disposal at a proper disposal site.

E. MANAGEMENT AND IMPLEMENTATION PLAN

The transition from one TPA to another can be daunting, but George Hills’ transition process eases the changeover. Once we have been awarded the contract, we will assemble our Onboarding Team, led by Chief Operating Officer Chris Shaffer and your Client Services Manager. We begin this process by meeting with the City to establish the Client Transition Team, review our onboarding process, set activity target dates, and confirm our onboarding meeting schedule. The next step is for George Hills to discuss our TPA Transfer Instructions with the existing TPA. Finally, our Transition and Implementation plan is our roadmap to direct us through the steps necessary to complete the transition successfully. Most of the action items listed in this document will be completed before our contract begins. We encourage weekly meetings to discuss the transition progress: these weekly meetings will include a brief update from each member of our Onboarding Team. Our transition process concludes 90 days after our contract begins, and after we meet with the City to discuss the implementation process and solicit feedback. There is no charge for electronic data conversion if the City stays with George Hills for five (5) years.

George Hills utilizes a detailed process for transition which will be shared if selected. Please note we have successfully transitioned many public entities, including JPAs, from the incumbent. A sample of the transition plan can be found in **Tab D: Appendix on page 78.**

F. PROFESSIONAL QUALIFICATIONS

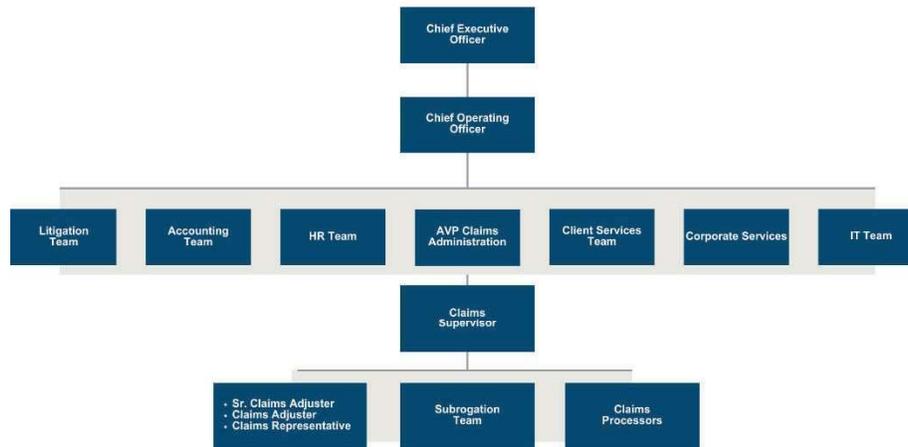
Below is a list of key personnel who will be responsible for implementing and maintaining this contract.

Personnel	Role for the City
<p>John Chaquica CPA, MBA, ARM CEO, Owner</p>	<p>Role: Executive Contact Contract liaison for the City’s total satisfaction with George Hills’ services and steward of George Hills’ values through the engagement.</p> <p>Qualifications: With over 33 years of experience in risk and JPA management, Mr. Chaquica applies a virtually unmatched level of experience and talent. Mr. Chaquica holds an MBA from Golden Gate University and a BS in Accounting from California State University, Sacramento. In addition, he holds an Associate in Risk Management (ARM) designation from the Insurance Institute of America.</p> 
<p>Chris Shaffer ARM/P Chief Operating Officer</p>	<p>Role: Oversees firm operations and provides executive oversight as needed. His role includes strategic efforts for growing the company and further developing George Hills as the leading California TPA.</p> 

	<p>Qualifications: Mr. Shaffer has an exceptional 30-year record of achievement in the management of corporate, risk management, business systems, and information systems operations. He earned a Bachelor of Arts from the University of Utah. He holds and Associate in Risk Management (ARM) designation.</p>
<p>Chris Hunt ARM Assistant Vice President of Claims Administration</p>	<p>Role: Supervisor overseeing client relationships.</p> <p>Qualifications: Mr. Hunt has more than 28 years of experience in the insurance claims and risk management industry, primarily serving self-insured public and private clients. Mr. Hunt earned a Bachelor of Science in Behavioral Science from California Polytechnic University, Pomona. He holds an Associate in Risk Management (ARM) designation.</p> 
<p>Nick Chavez Sr. Claims Adjuster</p>	<p>Role: Senior Claims Adjuster and secondary point of contact for all claims-related matters for the City.</p> <p>Qualifications: Mr. Chavez has an impressive 35-year record of claims adjusting experience, with the majority of the time handling large, complex claims. Mr. Chavez holds a Bachelor of Arts from California State University, Turlock.</p> 
<p>Tina Wolf Claims Adjuster</p>	<p>Role: Handles claims for the City.</p> <p>Qualifications: Ms. Wolf has more than 14 years of property and liability claims handling experience and holds an independent adjusters' license. She has experience as an estimator (field/body shop) for autos, marine heavy equipment, trucks, trailers, cargo, and content.</p> 
<p>Sheri Colorado Claims Processor</p>	<p>Role: Responsible for support for the designated liability claims team. Enters all new claims into the CMIS and general claims processing. The Claims Processor is instrumental in our quality assurance reporting.</p>
<p>Sam Hooper Investigation – Subcontractor</p>	<p>Role: Investigates on-site at remediation events and claims.</p> <p>Qualifications: Sam Hooper has been providing licensed claims adjuster and private investigator services for 30 years. Mr. Hooper is licensed in several states, including California.</p> 

Organizational structure

George Hills is a values-based company. Our values are accountability, continuous improvement, collaboration, stewardship, and resiliency. These values influence everything we do.



Training

George Hills has provided training to clients on a regular, as-requested basis. Examples include legislative updates, recent settlements, AB 218 and AB 452, and most significantly, providing access to George Hills Claims University (GHCU) as an additional, optional service.

Our monthly training program includes:

- Monthly training sessions facilitated by industry experts on current and emerging claims-related topics, such as legislative changes, new case laws, and claim trends. We also use this monthly session to refresh our claims administration staff on industry and internal best practices.
- An annual two-day, in-person event for all claims staff, targeted at technical training, overall staff development, and team building. This annual session includes in-depth training and panel discussions on claims technical topics, claim system utilization, and corporate issues. A recent sample event included discussion about AB 218, the recent legislation extending the statute of limitations for childhood sexual abuse and molestation claims.
- Online resources and training through George Hills' Learning Management System. This Learning Management System is a robust resource and reference library for a wide variety of claims and risk management technical topics, as well as structured training courses ranging from entry-level to advanced.
- Company-paid training courses leading to an Associate in Claims (AIC) and other pertinent professional designations.
- Active participation in industry associations, such as Public Agency Risk Management Association (PARMA), California Association of Joint Powers Authorities (CAJPA), the League of California Cities, California State Association of Counties, Association of Governmental Risk Pools, and Claims and Litigation Management Alliance. George Hills encourages employee attendance at their annual conferences and other training events through the year.

George Hills Claims University

It is George Hills' philosophy to deliver a comprehensive and effective training program for our Claims Administration Division (CAD) that aligns with the vision, values, and goals of the company. By utilizing internal and external resources, our program is cost-effective and presents relevant technical information.



The genesis of GHCU was the reality that students were not going to college to seek a career in insurance claims adjusting, and even fewer in claims adjusting in the public sector. We felt called to establish a sustainable education forum to continue to cultivate knowledgeable and experienced public entity adjusters.

Currently, we use the University to train all staff to obtain the Public Entity Claims Professional (PECP) Certificate. This ensures each client we serve has a trained adjuster on their team. Our training ensures all claims staff receive the information and skills to perform the duties of their position successfully. Additionally, programs within GHCU are available to our clients for free or reduced costs, including a basic Risk Management/Claims Program for Analysts.

GHCU uses a Learning Management System (LMS) to provide continuous matriculation for our current and future employees. Upon completing the training courses and passing the exam, individuals are awarded a certificate and Public Entity Claims Professional (PECP) designation. We have created the Public Entity Claims Professional – Risk Management (PECP-RM) designation that focuses on those in the public sector that may interface with the claim process, and we have additional versions in development for other areas. Another option for our clients is GHCU's Risk Management 101 course. George Hills Claims University is available to our clients. If City staff express an interest in our training program, we are pleased to make the courses available to them.

G. REFERENCES

Please see a list of George Hills' past clients in **D. Proficiency Inquiry** on **page 40**, as well as client information in the **Contractor Standards Pledge of Compliance** on **page 10**.

H. COMPENSATION SCHEDULE

Please see **Tab C: Cost/Price Proposal** on **page 59** for information about pricing, including the requested compensation schedule.



TAB C: COST/PRICE PROPOSAL

TAB C: COST/PRICE PROPOSAL

FEE SCHEDULE

George Hills has provided the requested table below. Our pricing is a fixed dollar amount per claim, as actual claim counts are unknown. Alternatives and discussion regarding this pricing are welcome. Following the table, we have provided a narrative of our standard fee options for your consideration. Please note that for all proposed engagements, we propose an Annual Administration Fee in addition to the Claims fees. The One-Time Startup Fee and Annual Administration Fee are not included in the table below.

Therefore, in addition to the per claim fees below we propose a One-Time Startup Fee of \$2,500 and an Annual Administration Fee of \$10,000. The details of these fees and included services can be found directly after the table, on **page 60**.

Loss Range <i>Individual Loss Range – based on gross loss</i>	Fee <i>Provided as a flat fee amount</i>	Monthly Fee Per Open Claim
Erroneous Assignment	\$250.00	One Time Charge
Loss Withdrawn	\$250.00	One Time Charge
Closed Without Action (CWA)	\$500.00	One Time Charge
0.01 – 1,000.00	\$720.00	\$60.00
1,000.01 – 5,000.00	\$720.00	\$60.00
5,000.01 – 10,000.00	\$720.00	\$60.00
10,000.01 – 15,000.00	\$1,200.00	\$100.00
15,000.01 – 25,000.00	\$1,200.00	\$100.00
25,000.01 – 35,000.00	\$1,200.00	\$100.00
35,000.01 – 50,000.00	\$1,200.00	\$100.00
50,000.01 – 125,000.00	\$1,500.00	\$125.00
125,000.01 – 300,000.00	\$1,500.00	\$175.00
300,000.01 – 1,000,000.00	\$2,500.00	\$250.00
1,000,000.01 and Higher	\$5,000.00	\$425.00
TOTAL	\$18,460.00	\$1,555.00

FEE SECTION TERMS

One Time Startup Fee – The process of onboarding a new client covers many areas, from establishing expectations, policies, and procedures, to designing the infrastructure to meet the needs of risk management, council, and department heads. It also involves time and effort in establishing the Trust Account or check writing, W-9, and all federal and state reporting requirements. Most importantly, this process involves the establishment of effective claims triage. Note that this is not time spent on the actual data conversion.

Annual Administration Fee – George Hills has determined it takes a company-wide effort to ensure we exceed the expectations of our clients. As such, we feel it transparent to separately identify and charge for those critical functions that are not directly tied to claims handling. We include an annual administration fee, which covers the following activities:

- Executive attendance at any City Executive Committee Meeting or Board Meeting
- Claims Management Information System (CMIS) services and reports
- Access to CMIS and training
- Monthly listing of open claims, showing expense categories, reserves, and total incurred
- Monthly claim summary reports
- Monthly hours and claims data detail for billing
- Providing loss run data and required reports
- Access to GH Client Portal
- Providing annual reports to outside agencies
- Filing of regulatory reports, such as 1099s, W-9s, etc.
- Trust Account
- Establishment and maintenance of a trust account to pay indemnity and expenses that may be due on claims; the amount to be maintained in the trust account shall be determined by the City. If the trust account is set up with the GH preferred bank (California Bank and Trust), then George Hills covers the cost of Positive Pay and Payee Match.
 - If the City prefers an alternate bank, there may be an additional setup fee, as other banks' processes can be extraordinarily time consuming.
- New bank account setup, including signature cards, test checks, online access, and setup of bank in CXP
- Discussion and agreement on the approval process
- Preparation of W-9s
- Processing of checks weekly
- Submission of positive pay (if applicable) and monitoring of positive pay (review of daily emails from bank for exceptions)
- Maintenance of a copy of all checks drawn by George Hills to pay claims and claims-related expenses
- Monitoring of account balance, preparation of replenishment requests as needed (custom requests for each client's needs)

- Monthly bank reconciliation (prepared and sent to the City)
- Payment of invoices that are pass-throughs, such as invoices for medical record copies, ExamWorks, etc.
- Certificates of insurance as required by the Contract
- Annual service
- Response to outside financial auditors
- Provision of reports to the City's actuaries and claims auditors
- Submission of GH SSAE 16 reports, or the current equivalent
- Account Management

Mileage: Adjuster – Mileage is paid at the current IRS rate.

MMSEA – Both the one-time setup fee and the annual reporting feeds to offset fees paid directly to ExamWorks.

Adjuster Travel Expenses – For mediations, settlement conferences, trials, etc.; subject to prior approval and submitted with receipts.

CXP Access Fee – Included in the annual administration fee is the setup and management of five (5) user accounts through our CMIS: CXP.

iMetrics Report Fee – There will be no charge for our iMetrics business intelligence reports with executive in-person debriefs.

Custom Reports – Additional charged for custom reporting are defined as being client-specific and needing a third-party programmer for three (3) hours or more.

Conversion Fees – This fee is intended to cover costs associated with data conversion, transition, and contract closeout. The data conversion fee is dependent on many factors which will need to be discussed. If George Hills is retained for five (5) years, we will entirely absorb the conversion fee. If George Hills is not retained for the full length of the proposed contract, then the client shall be subject to a fee of 20 percent each year not retained, not including shipping, storing, scanning, copying, or otherwise handling open or closed paper claim files (this shall be a separate charge based on the Scope of Work).

George Hills will charge for any agreed services related to conversion storage, copying, scanning, shipping, and disposal.

Catastrophic Pricing – Applicable only to **Fixed Fee** and **Time And Expense With A Cap Fee** agreements. George Hills recognizes that in the event of a catastrophe, additional hours will need to be applied to the handling of such claims. As such, to preserve the quality and efficiency of service for which we are known, George Hills proposes that should a catastrophic event occur resulting in 10 or more claimants or claims from a single occurrence, the client shall be billed at the current hourly rate.

Annual Fee Escalator – The Annual Fixed Fee and all hourly rates shall be adjusted at the beginning of each of the remaining years of the term by the lesser of 5%, or in accordance with the changes in the Consumer Price Index (CPI-U) for all Urban Consumers for the Western Region using the most recently published annual percentage change, but in any event such increase shall not be less than 3%.

Termination Fee – In the event of contract termination, George Hills’ procedures and cost for run-off claims will be billed at the current hourly rate; no charge for historical loss summaries. George Hills believes that the successful transition of claims requires preparation, so we ask for 90 days’ notice if the contract is terminated without cause to facilitate the transition of claims management properly and efficiently.

General File – A general administrative file shall be established and maintained to track effort related to services necessary to fulfill our contractual obligations and not otherwise associated with a claim.

Storage – George Hills will charge for any services related to storage, retrieval, copying, scanning, shipping, and disposal of paper files.

FEE STRUCTURE

Adjusting Services Fees

Time and Expense – George Hills believes, as in the legal field, services surrounding claims and potential litigation are best captured by directed effort. In this case, the client only pays for the services requested. In a time and expense environment, George Hills applies its best practice approach to all claims; unless the client adjusts, restricts, or expands such services. A general administrative file will be established and maintained to track effort related to services necessary to fulfill our contractual obligations not otherwise associated with a claim.

Time and Expense for Adjusting Services	
Supervisor	\$131/hour
Adjuster	\$105/hour
Claims Processing	\$86/hour

All fee options are subject to the Annual Fee Escalator described above.

GENERAL ADMINISTRATIVE FEES – ADDITIONAL TO ADJUSTING FEES

Fixed Fee and Cap pricing will be based on the current average. Should the claim volume change more than 10% in severity or frequency in a year, we request a reevaluation of our pricing agreement.

General Administrative Fee Section – Applicable to each fee option.	
One Time Start-Up Fee	\$2,500
Annual Administration Fee	\$10,000
Mileage - Adjuster	Current IRS Rate
One Time MMSEA Setup Fee (paid to ExamWorks) - if applicable.	\$300/one-time
Annual Reporting Fee (paid to ExamWorks)	\$500/year
Adjuster travel expenses for mediations, settlement conferences, trials; subject to prior approval.	Actual
CXP access fee (up to 5 users)	Included
Custom reports, if exceeds three hours and is client specific	\$185/hour
Allocated File Expenses (see attached details)	At cost
Conversion Fee (waived if client for 5 years, see below "Conversion Fees")	See Notes below
Storage – if applicable	TBD – Actual cost
Catastrophic Pricing	Current hourly rate

All fee options are subject to the Annual Fee Escalator described above.

Subrogation

The Subrogation Fee is in the amount of 30% for each recovery obtained. The minimum amount to be paid to GH will be \$250 per claim upon recovery. Please note, on most claims George Hills can recover our fee, thus the net cost is zero.

ALLOCATED EXPENSES

Typically, allocated expenses are those expenses that are generated by a claim (by outside vendors other than George Hills) that cannot be foreseen nor included in this Contract. These expenses are generally allocated back to the specific claim file for which the cost was incurred and then charged back to the entity whose claim incurred that cost. In most situations these are pass-through costs (with processing fees) for services and/or fees not directly generated by the TPA, but rather by a third-party consultant where the TPA has acted as an agent on behalf of the entity to necessarily outsource services to a third-party consultant and/or miscellaneous fees applicable to the specific claim applied by an outside entity, such as a court or copy services. Below, George Hills has provided a non-exhaustive list of typical allocated expenses.

Paid to GH

- CMS reporting costs and fees (ExamWorks)

Paid to Others as Authorized by Client

- Fees of outside counsel for claims in suit, coverage opinions, and litigation, and for representation and hearings or pretrial conferences
- Fees of court reporters
- All court costs, court fees, and court expenses
- Fees for service of process
- Costs of undercover operatives and detectives (if initially paid by GH)
- Costs for employing experts for the preparation of maps, professional photographs, accounting, chemical or physical analysis, or diagrams
- Costs for employing experts for the advice, opinions, or testimony concerning claims under investigation or in litigation for which a declaratory judgement is sought
- Costs for independent medical examination or evaluation for rehabilitation
- Costs of legal transcripts of testimony taken at coroner's inquests, or criminal or civil proceeding
- Costs for copies of any public records or medical records
- Costs of depositions and court reporting
- Costs and expenses of subrogation (if not George Hills)
- Costs of engineers, handwriting experts, or any other type of expert used in the preparation of litigation or used in a one-time basis to resolve disputes
- Witness fees and travel expenses
- Costs of photographers and photocopy services (if not George Hills; our costs for this are included in our rate)
- Costs of appraisal fees and expenses not included in flat fee or performed by others
- Costs of indexing claimants
- Services performed outside the TPAs normal geographical regions
- Costs associated with Medicare Set-Aside analysis and submission of Medicare Conditional Lien negotiation

- Investigation of possible fraud including SIU services and related expenses

Any other similar cost, fee, or expense that is not otherwise included in the TPAs service fees that is reasonably chargeable to the investigation, negotiation, settlement, or defense of a claim or loss or to the protection or perfection of the subrogation rights of the entity, including travel related expenses.

Travel Related

Costs of travel related to claims including mileage drive, such as for attendance at inspections, mediations, and trial, shall be allocated to the specific claim and reimbursed to GH based on the actual cost incurred. Mileage shall be reimbursed at the current IRS rated at the time the mileage is traveled.

OPTIONAL SERVICES

Full In-House Litigation Management – Use of George Hills’ Attorneys

Name and Title	Years of Experience	Role for the Client
Neil Callahan, Esq. Litigation Manager	25	Serves as a Litigation Manager for several clients, monitoring counsel, and as a resource to our claims staff.
Benjamin Oram, Esq. General Counsel/Litigation Manager	15	Serves as a Litigation Manager for several clients, monitoring counsel, and as a resource to our claims staff.

Cornelius (Neil) Callahan, Esq., Litigation Manager: Mr. Callahan has over 25 years of experience defending public entities on high profile claims in state and federal courts. Mr. Callahan commenced his career practicing law in New York, New Jersey, and Connecticut. In 1999 he began practicing law in California, where he served as lead trial counsel for public entities in the areas of civil rights, police practices, and dangerous condition defense. He has tried multiple cases to jury verdict in both state and federal court having been the lead defense attorney in 13 trials, with 12 defense verdicts. His emphasis has been on defending and advising public entities involved in civil litigation. Past cases include officer-involved shootings, excessive force, unlawful seizure, dangerous condition, discrimination, and harassment. He is experienced in all aspects of litigation including discovery, depositions, motion practice, arbitrations, administrative hearings, mediations, and trials.

Benjamin Oram, Esq., General Counsel/Litigation Manager: Ben serves as George Hills’ General Counsel/Litigation Manager. He currently serves as a Litigation Manager for several clients, monitoring counsel, and as a resource to our claims staff.

George Hills’ proactive approach is founded on our commitment to the preservation of the City’s assets. Early contact with all involved parties maintains lines of communication and rapport (not only with the insured but also with the claimant); hence, cost-saving opportunities to resolve claims efficiently are more plentiful.

Here is an outline of their role and how it would work for the City:

1. Serve as Litigation Manager (Specifics of the role below)

- i. Actively manage all watchlist files (parameters of a watchlist to be agreed upon through subsequent discussions)
 - ii. Manage and supervise all litigated files – claims adjusters will track the nonserious and/or non-active litigated files, with the support of Claims Processors, and report to the City
 - iii. Accessible to the entire GH adjuster team to advise and instruct as needed
- 2. Serve as Outside General and Special Counsel – limited basis
 - i. Work closely with the City with confidential analysis and problem-solving for managing risk and avoiding unnecessary litigation
 - ii. Provide immediate access to legal advice to the City, which includes analyzing coverage issues, Public Records Act requests, tort claim handling and strategy, conflicts of interest, oversight of outside litigation counsel, and providing legal opinions on potential and active litigation
 - iii. Advise on sensitive and political issues/claims
- 3. Coverage counsel consultation
 - i. Review and analysis of memorandums of coverage and excess/umbrella policies to address and offer advice and consultation regarding coverage issues
 - ii. Advise on potential changes to all coverage documents
 - iii. Assist City and George Hills staff in interpretation of coverage issues
- 4. Resource to a broker of record for coverage needs
- 5. Trial/Mediation/Board Meeting attendance
 - i. Attend board/executive/coverage/claims meetings (as necessary)
 - ii. Attend trials, mediations, and other court hearings, including appearing before Courts of Appeal as needed
 - iii. Provide analysis and consultation before, during, and after these significant litigation events – to reduce exposure and maximize opportunities for resolution
- 6. Legal training and seminars
 - i. Provide customized seminars and training upon request – to City staff, brokers, members, and GH staff
 - ii. Subject areas include memorandums of coverage, all aspects of risk management, claims handling and litigation, employment law, and general liability claims
 - iii. Courses are customized to address the client’s specific needs and to work closely with safety and loss staff, defense firms, and others

Rates for Optional Legal Service	
Litigation Management	\$225/hour
<i>This rate is subject to the annual fee escalator.</i>	



Please note that George Hills can provide a monthly/annual fixed fee for the above services upon discussion and agreement on level of effort.

1st Party Subrogation Recovery

George Hills provides subrogation recovery services to many of our clients. In 2013, George Hills created a dedicated Subrogation Recovery Unit to handle recovery opportunities for our clients who have requested or contracted with us for subrogation recovery services.

Quick Stats on George Hills' Subrogation Recovery Results

2,139 - Average number of subrogation claims handled yearly

91% - of claims handled result in a Recovery

80% - of claims result in a full recovery (including GH Fees)

84% - of amounts sought for our clients are recovered

Average recovery: \$4,239/claim

George Hills' subrogation recovery unit has performed spectacularly, recovering several million dollars on behalf of our clients.

George Hills has a dedicated team with extensive experience in the public entity environment who handle all 1st party subrogation matters for our clients who choose this service. Below are testimonials from a few of George Hills' subrogation clients:

PUBLIC ENTITY TESTIMONIAL STATEMENT

<p>Client of Sacramento Risk & Loss Control</p>	<p>"We have utilized the George Hills Subrogation unit for several years, and simply put - they get results. They have a wealth of knowledge and expertise. Our 1st and 3rd party claims are always handled promptly and professionally. Partnering with George Hills for subrogation has proven to be a wise decision for our Client."</p>
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<p>City of Sacramento Risk Management</p>	<p>"We are pleased to be partnering with George Hills for our subrogation recovery services. They provide quality staff and services."</p>
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<p>City of Oakley Kevin Rohani, Public Works Director/City Engineer</p>	<p>"The City of Oakley has utilized the services of George Hills Subrogation Team for several years, and we have been very happy with this service and the professional approach that the George Hills Team brings towards the subrogation process. The knowledge and expertise of the George Hills Team has been invaluable for the City of Oakley, and we are very grateful for their great work in resolving our assortment of third-party claims and we are looking to many more years of successful collaboration with the George Hills Team."</p>
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<p>City of Redlands Human Resources/Risk Management</p>	<p>"The City of Redlands is always pleased and impressed at the excellent service, attention and professionalism that is used by their claims adjusters. In particular, Tammy Hunt and Vicky Jimenez. They are a pleasure to work with and make the claims recovery process run smoothly and effectively. We are very happy with the results and recovery efforts that they deliver. We highly recommend their services and appreciate the level of excellence that they offer to us as the client."</p>
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City of Oakland
Human Resources
Management/Risk
Management Unit

“We have utilized the George Hills Subrogation unit for several years, and they get excellent results. They have a wealth of knowledge and expertise, and their professionalism and prompt attention to our needs is second to none. There’s no better service out there that can beat them, and the rates are below the typical rates offered by other vendors. Our third-party claims are always handled promptly and professionally. Our partnership has proven itself to be the best decision for our City.”

Our standard subrogation fee is 30% of the amount collected, however George Hills has been successful more than 80% of the time collecting our feeds, this equating to recovery essentially free of charge. The minimum amount to be paid to George Hills will be \$250 per claim. However, George Hills also has the authority to reject any claim for any reason, dismissing the City of any financial responsibility for rejected claims only.

Generally, no recovery shall be agreed to involving payment plans if the recovery is less than \$5,000 and/or greater than a one-year term. Exceptions can be made on a case-by-case basis. If a recovery is agreed to above this amount, the subrogation fee shall be 45%. In the event a payment plan is authorized and entered, the subrogation fee will be based upon the total amount of the lien and will be invoiced to the City.

If authorized, small claims court appearances for recovery of funds will be priced at \$150 per appearance.

The benefits of George Hills’ subrogation recovery:

- High-level expertise of subrogation recovery
- Recovery of damages to property, utilities, hazardous material cleanup
- Small claims
- Preparation of proof of loss statements
- Claim reporting activity, demand letters, final demand to claimant with suspended license, closing and/or payment transmittal
- Settlements
- File retention
- Development of policy and procedures
- Provision of account manager and lead subrogation adjuster

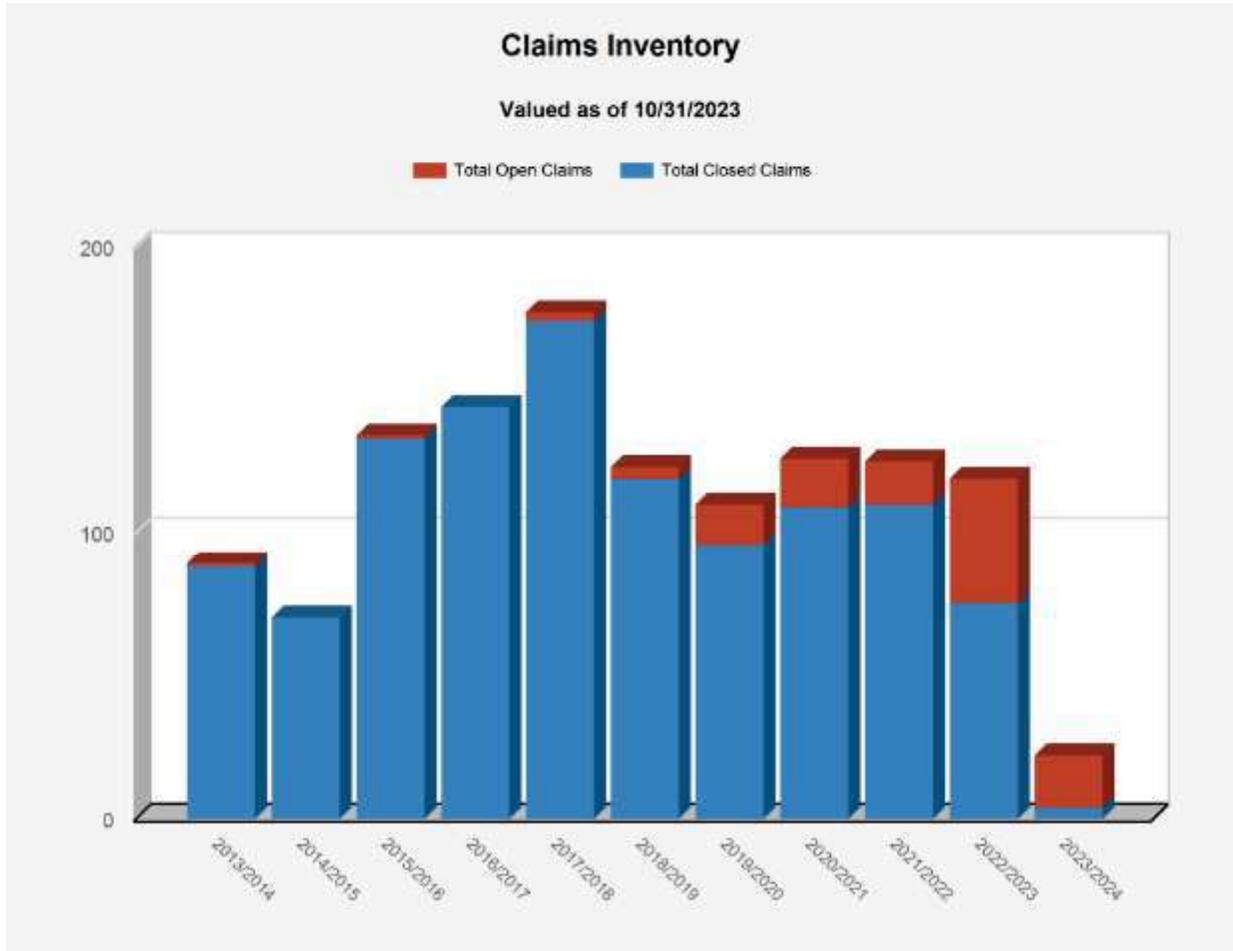


TAB D: APPENDIX



TAB D: APPENDIX

SAMPLE REPORTS

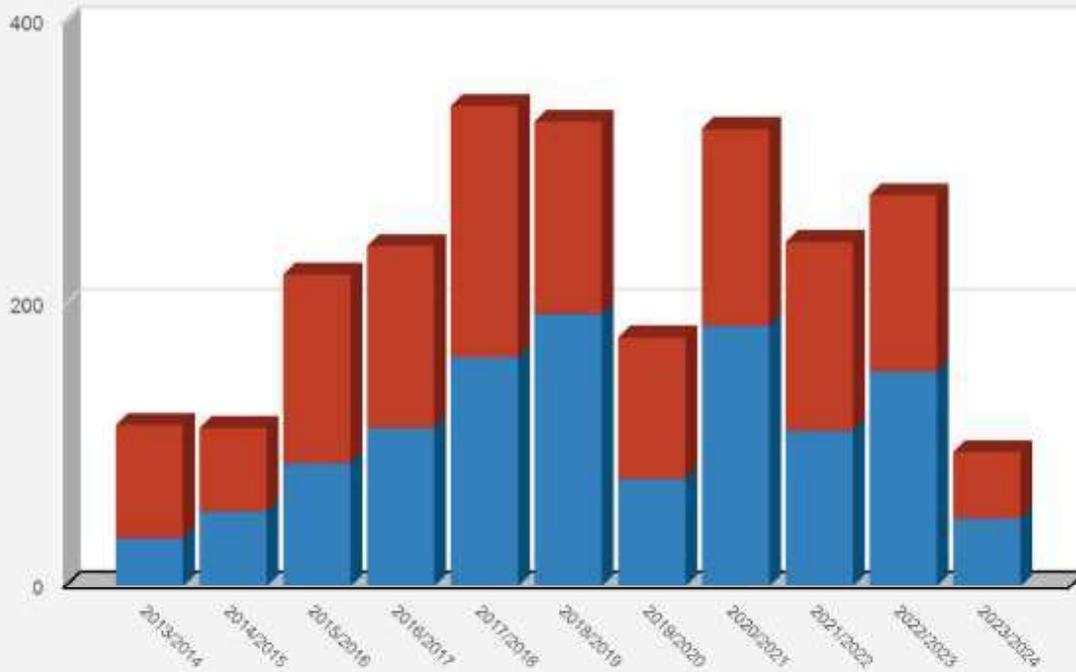


Claims Per DOL - Fiscal Year	Open Litigated Claims	Open Non-Litigated Claims	Total Open Claims	Total Closed Claims	Total Claims
2013/2014	0	1	1	88	89
2014/2015	0	0	0	70	70
2015/2016	0	1	1	133	134
2016/2017	0	0	0	144	144
2017/2018	3	0	3	174	177
2018/2019	4	0	4	119	123
2019/2020	14	0	14	96	110
2020/2021	14	3	17	109	126
2021/2022	12	3	15	110	125
2022/2023	6	38	44	75	119
2023/2024	1	17	18	4	22
Total	54	63	117	1,122	1,239

Claims Closures

Valued as of 10/31/2023

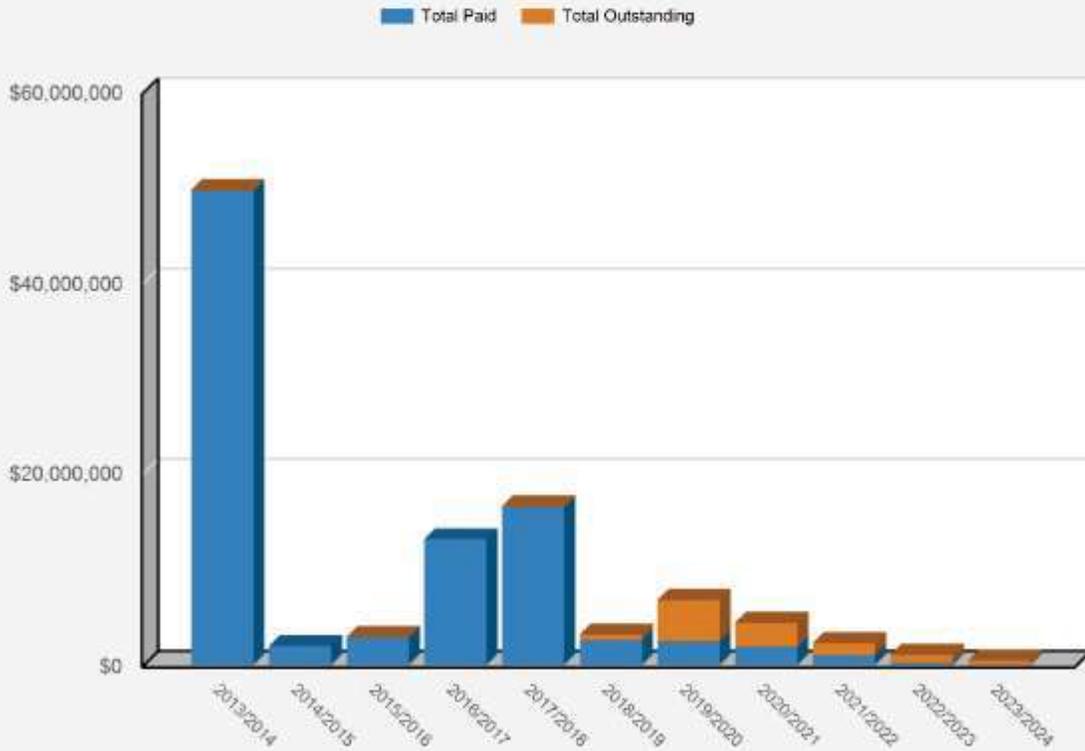
Claims Opened Claims Closed



Fiscal Year	Claims Opened During Fiscal Year (Regardless of DOL)	Claims Closed During Fiscal Year (Regardless of DOL)	Closing Ratio
2013/2014	80	34	42.50%
2014/2015	59	53	89.83%
2015/2016	134	87	64.93%
2016/2017	129	112	86.82%
2017/2018	178	162	91.01%
2018/2019	136	193	141.91%
2019/2020	100	76	76.00%
2020/2021	140	184	131.43%
2021/2022	134	110	82.09%
2022/2023	125	152	121.60%
2023/2024	47	48	102.13%
Total	1,262	1,211	95.96%

CLAIM FINANCIALS - Fiscal Year Historical Summary

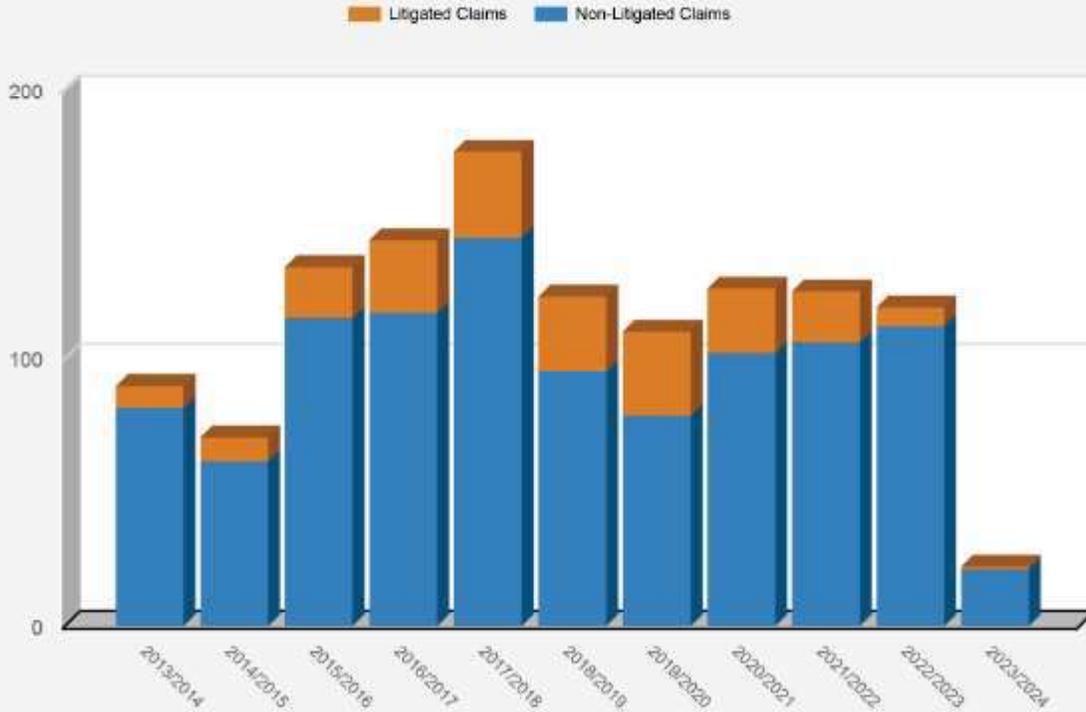
Valued as of 10/31/2023



Claims Per DOL - Fiscal Year	Total Paid	Total Reserves	Total Incurred
2013/2014	\$49,624,783	\$1,339	\$49,626,122
2014/2015	\$1,951,627	\$0	\$1,951,627
2015/2016	\$2,876,003	\$2,100	\$2,878,103
2016/2017	\$13,053,115	\$0	\$13,053,115
2017/2018	\$16,381,741	\$88,443	\$16,470,184
2018/2019	\$2,590,647	\$538,615	\$3,129,262
2019/2020	\$2,425,731	\$4,308,834	\$6,734,565
2020/2021	\$1,878,348	\$2,485,302	\$4,363,650
2021/2022	\$1,004,118	\$1,248,144	\$2,252,262
2022/2023	\$209,779	\$824,054	\$1,033,834
2023/2024	\$34,515	\$412,940	\$447,455
Total	\$92,030,409	\$9,909,770	\$101,940,179

CLAIM COUNT - Litigated versus Non-Litigated Fiscal Year Historical Summary (Open / Closed)

Valued as of 10/31/2023

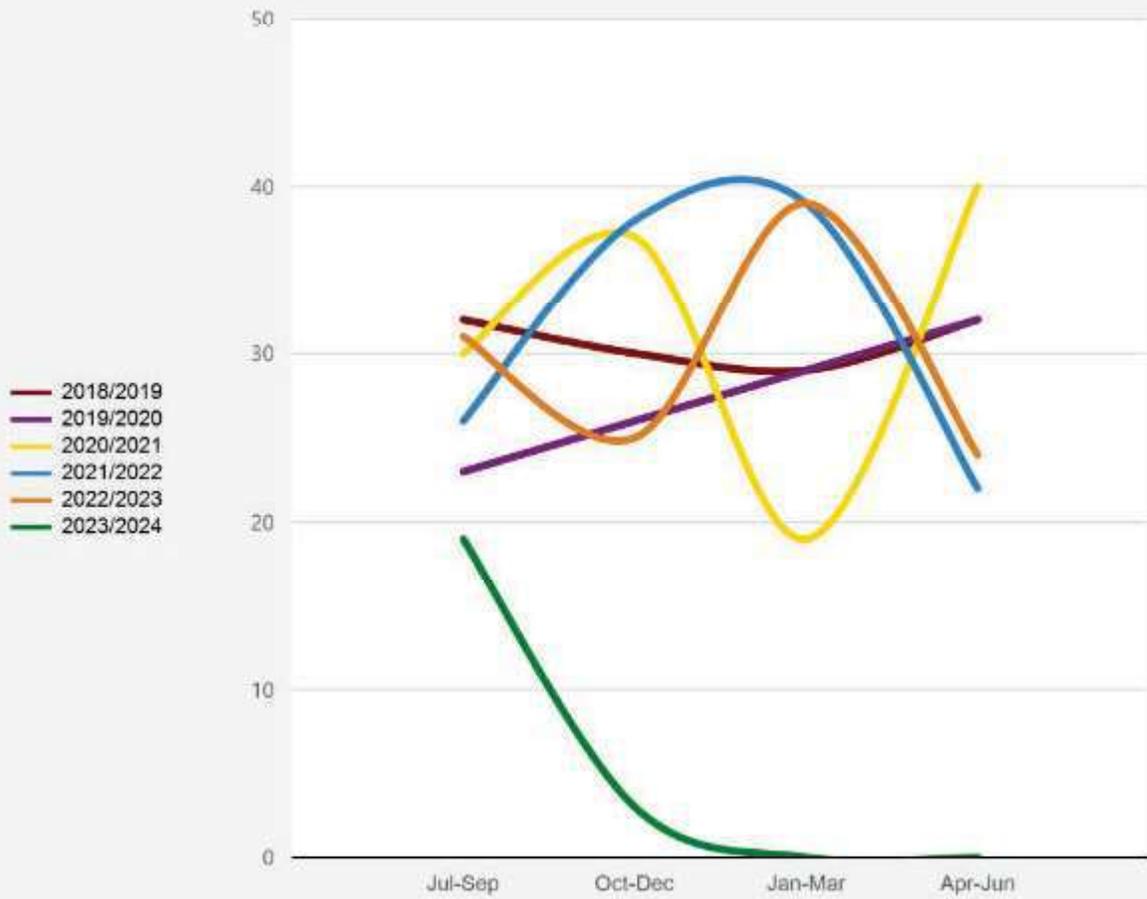


Claims Per DOL - Fiscal Year	Non-Litigated Claims	% of Non-Litigated Claims	Litigated Claims	% of Litigated Claims	Total Claims	Litigation Ratio
2013/2014	81	91.01%	8	8.99%	89	8.99%
2014/2015	61	87.14%	9	12.86%	70	12.86%
2015/2016	115	85.82%	19	14.18%	134	14.18%
2016/2017	117	81.25%	27	18.75%	144	18.75%
2017/2018	145	81.92%	32	18.08%	177	18.08%
2018/2019	95	77.24%	28	22.76%	123	22.76%
2019/2020	78	70.91%	32	29.09%	110	29.09%
2020/2021	102	80.95%	24	19.05%	126	19.05%
2021/2022	106	84.80%	19	15.20%	125	15.20%
2022/2023	112	94.12%	7	5.88%	119	5.88%
2023/2024	21	95.45%	1	4.55%	22	4.55%
Total	1,033	83.37%	206	16.63%	1,239	16.63%

CLAIM COUNT - Occurrences per Quarter

Loss dates during the FY quarter

Valued as of 10/31/2023



Fiscal Year	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Totals
2018/2019	32	30	29	32	123
2019/2020	23	26	29	32	110
2020/2021	30	37	19	40	126
2021/2022	26	38	39	22	125
2022/2023	31	25	39	24	119
2023/2024	19	3	0	0	22
Total	161	159	155	150	625

SAMPLE LOSS RUN AND EXPENSE SUMMARY REPORT



Claim Loss Run

CLIENT

As of 10/31/2023

Client			Paid	Reserves	Recovery	Net Incurred	Paid This Period
Claimant: Smith, John	Loss Date : 12/04/2022	Bodily Injury	\$2,000.00	\$5,000.00	\$0.00	\$7,000.00	\$0.00
Master Number : 999-9999	Claim Number : GHC000000	Property Damage	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Adjuster : GHC Adjuster	Status as of Date : Opened	Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Claim Type : GL	Litigated : No	Legal	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Date Rejected : 01/31/2023		Deductible	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Dept/Div : Schools by Local District Code/District 1/		Recovery	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Description : MALFUNCTION SCHOOL GATE		Adj Fees Unallocat	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SIR Limit : 5,000,000.00	Policy Date : 2022/2023	Totals	\$2,000.00	\$5,000.00	\$0.00	\$7,000.00	\$0.00
Loss Location : Building 2							

Client			Paid	Reserves	Recovery	Net Incurred	Paid This Period
Claimant: Doe, Jane	Loss Date : 02/25/2023	Bodily Injury	\$6,500.00	\$0.00	\$0.00	\$6,500.00	\$0.00
Master Number : 333-3333	Claim Number : GHC0000001	Property Damage	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Adjuster : GHC Adjuster	Status as of Date : Closed	Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Claim Type : GL	Litigated : Yes	Legal	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Date Rejected : 04/30/2023		Deductible	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Dept/Div : Schools by Local District Code/District 9		Recovery	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Description : Slip/ Trip & Fall		Adj Fees Unallocat	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SIR Limit : 5,000,000.00	Policy Date : 2022/2023	Totals	\$6,500.00	\$0.00	\$0.00	\$6,500.00	\$0.00
Loss Location : Building 3							

SAMPLE POA



PLAN OF ACTION

Review Date: 06/01/20XX
Client: City of X
Insured: City of X
Claimant Name: Claimant X
Adjuster: GHC Adjuster
Supervisor: GHC Manager
Litigation Manager: GHC Litigation Manager
Claim Number: GHC0000000
Master Claim Number:
Litigated: Yes
Line of Business: GL
Coverage: General Liability Bodily Injury
Claimant Type: GL
SIR/Deductible: \$5,000,000.00
Division/Department: Specific Client Department assigned for this loss.
Date of Loss: 01/01/20XX
Date Claim Presented: 02/01/20XX
Date Rejected: 03/01/20XX
1st Report to Excess:
Date Last Reported to Excess:

Financial Information:	Future Reserves	Paid	Incurred	Recovery	Net Incurred
Bodily Injury	\$25,000.00	\$0.00	\$25,000.00	\$0.00	\$25,000.00
Property Damage	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Expense	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Legal	\$239,741.33	\$6,448.67	\$246,190.00	\$0.00	\$246,190.00
TOTALS	\$264,741.33	\$6,448.67	\$271,190.00	\$0.00	\$271,190.00

Description of Loss:

Loss information based on first report, then subsequent investigation.

Timely?: Yes or No.

Was this government claim presented to the public entity within the applicable statute(s)?

Sufficient?: Yes or No.

Does this government claim include all required contents?

Pool: Yes or No.

Is the Client a Member of a program for the purpose of reducing insurance costs through the joint purchase of liability insurance?

Coverage Confirmation:

Any issues related to insurance coverage?

Activity Since Last Report:

Discusses the progress in the claim form prior report.

Investigation Synopsis:

A narrative explanation that includes the facts of how the accident/incident occurred, who as involved, why did it happen, etc.

Liability:

A narrative explanation that includes the exposure and if so, how much?

Damages:

A detailed summary describing the nature of the sustained injuries, property and other damages involved.

Reserve Rationale:

A detailed narrative of how reserves are established.

Plaintiff Attorney:

Does this claimant have an attorney representing them?

Defense Attorney:

Is there an attorney representing the Client?

Litigation Plan:

Next steps towards resolution.

Settlement Strategy/Plan:

Next steps towards resolution.

Outstanding Items:

Items requiring follow up.

SAMPLE TRANSITION PLAN

TASK	TARGET DATE	COMPLETION DATE	NOTES
Implementation / Overview Meeting			
Subsequent Meetings			
GO LIVE! GHC Accepting new losses as of XX/XX/XXXX			
Confirm implementation is complete			
Post-implementation meetings			
Transition From Current Claims Administrator			
Finalize Contract			
Claim File transfer instructions to current TPA for deadlines to receive Test, then Final data			
Obtain Open File Loss run – “hot” claims			
Physical File status (pending feedback from prior TPA)			
George Hills Claims Team:			
GHC Welcome Kit – GHC Team contact information & how to report new claims			
Claims Handling Instructions (CHI) review & discussion			
Discuss all open files			
Banking & Accounting:			
Exchange W9 & confirm Client contact			
Bank Account			
GHC Claims Management Information System (CMIS)			
Loss Run reports & distribution list			
GHC CMIS Training			
CMS / MMSEA Profile Update			
GHC Portal Access			

SAMPLE CONTRACT

**CLAIMS ADJUSTING AND ADMINISTRATION
SERVICE CONTRACT BETWEEN
THE CLIENT AND GEORGE HILLS COMPANY, INC.**

Contractual Period: 2024-2029

This Contract is made, entered into, and shall be effective as of, this ___ day of ____ 2024 by and between the FULL NAME OF CLIENT, hereinafter referred to as "CLIENT," and GEORGE HILLS COMPANY, INC., hereinafter referred to as "GH."

GH is a California Corporation doing business as licensed, independent insurance adjusters and administrators, with John Chaquica, Chief Executive Officer, responsible for contract compliance, terms and corporate governance. Chris Shaffer, Chief Operating Officer, shall oversee the daily operations. The company's corporate office is located at P.O. Box 278, Rancho Cordova, California, 95741, telephone, (916) 859-4800.

The CLIENT is an [incorporated public entity, public school district, political subdivision of the State] located at ADDRESS.

IT IS HEREBY AGREED by and between the parties signing this contract as follows:

1. GENERAL

CLIENT is desirous of availing itself of liability and property claims adjusting and administration services. GH is a Third-Party Claims Administrator handling self-insured claims and is ready to and capable of performing such services. As such, GH may act as a representative of the CLIENT when directed for the investigation, adjustment, processing, and evaluation of general liability claims or incidents filed by third parties against the CLIENT, or against parties for whom the CLIENT is alleged to be legally responsible, which are premised upon allegations of willful, intentional, negligent, or careless acts and/or omissions ("CLAIMS").

2. SCOPE OF SERVICES

GH agrees to provide complete claim handling services on each accident or incident, as directed by CLIENT. Each CLAIM will be subject to the Scope of Services and Client Expressed Authority and Limitations form, attached hereto as Attachment A. CLIENT shall determine the scope of services to be provided by GH by signing the Scope of Services and Client Expressed Authority and Limitations for each Contract. The Scope of Services and Client Expressed Authority and Limitations form shall be the controlling document for the scope of claims adjusting services to be provided by GH for CLIENT and may be amended as needed during the Contractual period. Changes to the Scope of Service to be provided by GH which do not effect or alter the compensation due under the terms of this Contract may be agreed to by informal memorandum. The duties, responsibilities, and agreements contain in Attachments A, A-1, B, C, D and E are also incorporated into the Scope of Services as though fully set forth herein.

3. DENIAL, COMPROMISE, OR SETTLEMENT OF CLAIMS

It is agreed that CLIENT has granted no authority to GH for the purpose of compromising, settling, and paying any claims against CLIENT being handled by GH. GH will issue payment for legal expenses as defined in the Client Expressed Scope of Work form. Prior approval to

Claims Adjusting and Administration Services Contract
Between the CLIENT and George Hills Company

page 1 of 35

compromise or settle any claim or pay any expense will be obtained from the designated claims officer or employee on matters exceeding the authority granted above.

4. FILE RETENTION

GH shall serve as the custodian of the client's data, for documents related to each of the claims subject to this agreement only, and as such shall electronically retain all related records through the life of this contract. Upon termination of this contract, GH shall electronically transfer all of the data pertaining to all claims, either to the CLIENT or to a recipient designated by the CLIENT, within 30 days of termination. CLIENT and GH may agree via a separate signed agreement to retain records and/or data for a longer period of time, but in the absence of such separate agreement, GH will remove all data received, held, used, or stored in relation to George Hill's performance pursuant to this contract, from its system after 30 days from termination.

5. CONFIDENTIALITY

All data, documents, discussions, or other information developed or received by or for GH in performance of this Contract are confidential and not to be disclosed to any person except as authorized by CLIENT or CLIENT's designee, or as required by law.

6. CONFLICT OF INTEREST

In the event GH receives a claim from the CLIENT in which there arises a "conflict of interest," GH shall immediately notify CLIENT, and suggest handling instructions in the address of the conflict. CLIENT may then, at their expense choose to hire another well-qualified claim firm to handle that particular claim to a conclusion. GH covenants that it presently knows of no interest, direct or indirect, which would conflict in any manner with the performance of services required under this contract.

7. CLIENT RESPONSIBILITY

CLIENT agrees that it shall:

- 1) Collaborate with GH as reasonably necessary for GH to perform its services including establishing, drafting, and agreeing to a complete set of Claim Handling Instructions which provide direction and guidance related to the services.
- 2) Provide direction to GH as requested regarding particular project requirements.
- 3) Communicate any changes in expectations and/or in the event GH is not performing in an acceptable manner so GH can immediately address such changes and/or performance issues.
- 4) Identify a primary contact person(s) for the account as well as for billing and loss run submission. In addition, CLIENT shall be responsible for reporting all changes in the primary point of contact to GH. CLIENT shall identify an individual as the contact person for provision of and communications concerning Certificates of Insurance as required herein.



- 5) Be responsible for reporting to GH all Bodily Injury Claims in addition to all other items noted in Attachment B to this Contract "Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA)."
- 6) Be responsible for updating GH on any changes to coverage/policy language; including limits, retentions/deductibles and coverage changes before the start of each policy term.
- 7) Obtain any necessary consent in the collection of any CLIENT data that is transmitted to a third party (i.e., lawyer, actuary, or auditor). CLIENT shall provide GH with reasonable assurances that it has the necessary consent to transmit CLIENT data to a third party. CLIENT acknowledges that the claims data may contain confidential and/or protected health information ("PHI"). In the event CLIENT authorizes and directs GH to provide claims data to a third party, CLIENT will indemnify, defend and hold harmless GH from and against all claims, damages, losses and expenses, including court costs and reasonable attorneys' fees, arising out of or resulting from:(i) any action against GH that is based on any negligent act or omission of CLIENT or a third party in transmitting and/or disclosing the PHI and/or claims data; or (ii) the violation of any state or federal statute, ordinance, or regulation by CLIENT or a third party in transmitting and/or disclosing the claims data.

8. COMPENSATION, FEES AND EXPENSES

The following compensation, fees and expenses, shall be paid in consideration for the services provided by GH as described in this Contract at Section 2 – Scope of Services. This Section shall remain in force and services provided during the entire term of this Contract, unless otherwise amended pursuant to Section 19 and/or 20 of this Contract.

The compensation to be paid pursuant to this Contract are comprised of three distinct categories:

- A: "Administrative Services"
- B: "Fees for Claim Adjusting Services"
- C: "Allocated Costs/Expenses"

The Fees and Costs/Expenses pursuant to subsections "A", "B", and "C" will be billed together monthly in a standard invoice format utilized by GH. Additionally, if the CLIENT elects any optional services identified subsections "F" or "G" below, all additional amounts will also be billed together monthly where applicable.

A. Administration Services

- 1) OneTime (first year only) On-Boarding Fee: \$ _____

GH will charge a one-time startup fee which includes, but is not limited to, the planning and coordination of the onboarding process and documentation, detailing specific claims handling instructions, communication protocols, personalize design of claims management information system ("CMIS"), new client setup for bank account, vendors, W-9, etc., and claims triage and assignments. This fee is billed in the first month of service.

- 2) **Annual Administration Fee:** \$ _____ which is billed annually at the beginning of the Contract period and thereafter upon the anniversary of the Contract.
- 3) **MMSEA:** There is a one-time setup fee of \$300 and a \$500 annual reporting fee, charged to support our contract with our service provider for reporting to CMS. This fee is billed annually at the beginning of the Contract period.
- 4) **System Access Fee:** Access to the claims management information system, "CMIS", which includes the setup and management of up to five (5) "read only" user accounts. "Read/write" access to the system can be obtained for an additional fee.
- 5) **iMetrics Report Fee:** There will be no charge for our iMetrics business intelligence reports with executive in-person debriefs.
- 6) **George Hills Client Portal:** GH operates a client interface which is intended to provide the CLIENT with information regarding claims related and loss information. CLIENT will be provided with access for two (2) users at no additional cost.
- 7) **Custom Reports:** Additional charges for custom reporting shall be defined as, requiring a third-party programmer for three hours or more and is client specific.
- 8) **Conversion Fee:** GH will pay the Conversion Fee subject to the terms stated below. The Conversion Fee covers costs associated with electronic data conversion, transition, reconciliation of financials, all reports created and vetted, and CLIENT sign-off on CMIS set up.

GH extends to new clients the following: GH believes in the establishment of a long-term partnership, and as such shall pay 100% of all costs relating to the data conversion, which is estimated at \$ _____. This is based solely on GH being retained under this Contract for five years (whether it is this Contract or an extension of/amendment to this Contract). If, for any reason the GH is not retained for five years, the CLIENT will be subject to a fee of 20 percent of the full Conversion Fee for each year not retained.

The Conversion Fee does not include, the shipping, storing, scanning, copying, or otherwise handling open or closed paper claims files. Please see subsection M, "Paper Files" below.

Upon early termination of this Contract, any remaining fee will be added to the penultimate invoice and if not paid, will result in an additional balance due and owed to Contractor.

- 9) **Catastrophic Fees:** GH recognizes that there are events that are unanticipated and/or catastrophic. When such events occur, it requires additional hours for the handling of such claims which could not be estimated or included in the Annual Fixed Fee calculation contained herein. As such, to preserve the quality and efficiency of service, when such an event is deemed to be catastrophic by any entity providing excess coverage, the California Department of Insurance, the Insurance Services Office, or any local, state, or federal government declares a State of Emergency in relation to the subject matter upon which the claim is based, or upon agreement of the CLIENT and GH, should any one event occur resulting in five or more claimants alleging loss out of the same designated event, or two

or more claimants with their own attorneys, GH will bill the CLIENT on a time and expenses basis at the current hourly rate for all services. These claims will be identified for separate billing procedures and will not be counted in the claims frequency which serves as the underlying basis for the Fixed Fee calculation applicable for the next year in the contract period.

- 10) **Fixed Fee Annual Recalculation:** GH reviews and analyzes the claims frequency annually. Within 30 days of the end of each 12-month period from the date the work under the contract is initiated, GH will provide notice to the CLIENT of the actual number of claims received for the preceding 12 months. If the claims frequency exceeds the base number of 2,425 by greater than 10%, GH will provide a new Annual Fixed Fee calculation based on the change in frequency. The new Annual Fixed Fee will begin on July 1st of the next year in the Contract term. If the frequency changes in an amount of 10% or less, there will be no change in the Annual Fixed Fee calculation.
- 11) **Annual Fee Escalator:** Notwithstanding any change in the Annual Fixed Fee recalculation, the Annual Fixed Fee and all hourly rates in this Contract shall be adjusted at the beginning of the second year of the term by the lesser of, 5% or in accordance with the changes in the Consumer Price Index (CPI-U) for all Urban Consumers for the Los Angeles Area using the annual percentage change published in the most recent month, but in any event such increase shall not be less than 3%.
- 12) **General File:** A general administrative file shall be established and maintained to track effort related to services necessary to fulfill our contractual obligations and not otherwise associated with a claim.
- 13) **Paper Files:** GH is prepared to take the lead to arrange for all services relating to conversion storage, copying, scanning, shipping, and disposal. GH will provide you a quote for any services related to storage, retrieval, copying, scanning, shipping, and disposal of paper files.

B. Fees for Claim Adjusting Services

- 1) **Option A1: Time and Expense:** The GH Claims team will charge time to each claim using 1/10th of an hour increments for each task performed on a claim. The time spent and further descriptions of each task shall be stated on each monthly invoice. The current hourly rates are:

Litigation Manager:	\$225/hour*
Claims Supervisor:	\$127/hour*
Claims Adjuster:	\$102/hour*
Claims Processing:	\$84/hour*
- 2) **Option A2: Time and Expense with a Cap of \$ _____*** The GH Claims team will charge time to each claim using 1/10th of an hour increments for each task performed on a claim. The time spent and further descriptions of each task shall be stated on each monthly invoice. Our cumulative billing, however, shall not exceed the annual

Claims Adjusting and Administration Services Contract
Between the CLIENT and George Hills Company

page 5 of 35

cap referenced above, which cap is subject to annual adjustments. The cap is a movable target that shall be reviewed and potentially adjusted annually, whether by increase or decrease, as circumstances deem appropriate and agreed to by the parties. The current hourly rates are:

Litigation Manager:	\$225/hour*
Claims Supervisor:	\$127/hour*
Claims Adjuster:	\$102/hour*
Claims Processing:	\$84/hour*

- 3) Option B: Annual Fixed Fee of \$ _____. In exchange for the services provided under this Contract by GH, CLIENT shall pay to GH the following Annual Fixed Fee(s).

Fixed Fee*	
Year One	\$ _____

*All Fee options are subject to the Annual Fee Escalator described above.

C. Allocated Costs/Expenses

GH will charge to the CLIENT both allocated and non-allocated costs and expenses incurred pursuant to this Contract as stated herein and defined further in Attachment D, "Allocated Expenses."

- 1) Mileage Reimbursement: Mileage traveled will be paid at the IRS rate in effect at the time the mileage is traveled. This section applies to mileage which can be allocated to a specific claim and also mileage which is not allocated to any claim, such as attendance at claim review, board and/or committee meetings requested or required by the CLIENT.
- 2) Adjuster Travel Expenses: GH will separately charge for any travel expenses in connection with attendance at mediations, settlement conferences, trials, etc. This will be subject to prior approval and actual expenses will be submitted with receipts on a monthly basis. This section applies to travel expenses which can be allocated to a specific claim and also travel expenses which are not allocated to any claim, such as attendant at claim review, board and/or committee meetings.

D. Payment Schedule

GH will submit its invoices to CLIENT, and payment shall be made by CLIENT, within a reasonable period of time, not to exceed thirty (30) days from the date of the invoice.

E. Electronic Funds Transfer Or Direct Deposit

GH has determined that the most efficient and secure default form of payment for goods and/or services provided under Contract with CLIENT shall be Electronic Funds Transfer

(EFT) or direct deposit, unless an alternative method of payment is deemed appropriate by both GH and CLIENT and agreed to in writing.

GH will submit a direct deposit authorization request via to CLIENT with banking and vendor information, and any other information that the CLIENT determines is reasonably necessary to process the payment and comply with all accounting, record keeping, and tax reporting requirements.

At any time during the duration of the Contract, GH may submit a written request for an exemption to this requirement. Such request must be based on specific legal, business or operational needs and GH will explain why the payment method designated by the CLIENT is not feasible and an alternative is necessary.

F. First Party Subrogation Services And Fees

GH is a claim administration firm experienced in the handling of first party subrogation claims and is ready and capable of performing such services on behalf of CLIENT. The fee for these services is 30% of the gross recovery. CLIENT elects to incorporate the Subrogation Services, as desired and as described more fully in Attachment A, Scope of Services and Client Expressed Authority and Limitations, Section (I)(K).

G. Optional Services

GH employs "in-house" attorneys which have vast experience in claims and litigation handling, problem resolution, issue identification and investigation, and advice and consultation, for all types of claims and issues which may arise for a public entity. Should the special circumstance arise whereby CLIENT requests additional services by a GH attorney, including those identified in the list below, the services will be provided on a time and expenses basis and at the rate of \$225.00 per hour, billed using 1/10th of an hour increments for each task performed on a claim or issue. The fees charged for these services will be in addition to any other compensation defined in this

- Litigation Management
- Monitoring Counsel
- Outside General and Special Counsel
- Trial/Mediation/Board Meeting Attendance
- Legal Training and Seminars

GH can also provide Professional and Financial Services related to risk management and loss prevention in alignment with the scope of services for the same rate referenced above.

NOTE: These services are traditionally Time and Expense, however an annual fee can be considered.

9. TERM AND TERMINATION

Term: The term of this contract shall be for three (3) years commencing on July 1, 2024 and remaining in full force and effect through and including June 30, 2027. Either party may terminate this contract for any reason upon issuing a ninety (90) day written notice to the other party pursuant to Section 18 of this Contract. Unless notified in writing prior to June 1, 2027,

the term of this Contract shall be extended for two (2) years until June 30, 2029 without the need for any additional agreements or amendments.

Termination for Convenience: CLIENT may at any time and for any reason terminate this Contract upon ninety (90) days written notice to GH pursuant to Section 20 of this Contract. Notice shall be deemed served on the date of mailing. Upon receipt of such notice, GH shall discontinue services at the end of the 90-day period in connection with the scope of services of this Contract. Upon such termination, GH shall be entitled to payment from CLIENT for services completed and provided through the date of termination, per Section 8.

Termination Costs: If termination takes place in less than five (5) years from the start of the Term, CLIENT may be subject to a fee, not to exceed \$2,500, intended to cover costs associated with outgoing data conversion, transition and contract close out.

Upon completion of data conversion and return of data back to CLIENT (electronic and/or hard copy), GH will destroy any remaining files.

10. FAIR EMPLOYMENT

It is the policy of GH to provide fair and equal treatment to all staff members. GH is an Equal Opportunity Employer and does not discriminate in any way against any person on the basis of age, race, sex, color, national origin, national ancestry, physical disability, medical condition, mental disability, religion, creed, marital status, sexual orientation, gender identification, gender expression, use of family care leave or any other classification deemed protected by law.

11. INDEPENDENT CONTRACTOR

In performing claims administrative services herein agreed upon, GH, and all GH employees, shall have the status of an independent contractor of the CLIENT and shall not be deemed to be an officer, employee, or agent of CLIENT.

12. INDEMNIFICATION

GH will defend, indemnify, and hold harmless CLIENT from and against all claims, demands, actions, or causes of action arising directly or indirectly from the negligent action, conduct, or failure to act by GH personnel ("Indemnity Event"), except that indemnity under this section does not apply with respect to any claim, demand, action, or cause of action arising out of the sole negligence or willful misconduct of the CLIENT. This right to indemnity shall not cover any claims in which there is a failure to give GH prompt and timely notice, within thirty (30) days of notice received by the CLIENT which implicates this provision, but only if and to the extent that such failure materially prejudices the defense of such claims. For an Indemnity Event, the maximum amount recoverable by CLIENT against GH for damages and costs (inclusive of attorneys' fees) is limited to the insurance policy limits, of the policy which covers the Indemnity Event held by GH, in place at the time of the Indemnity Event.

CLIENT will defend, indemnify, and hold harmless GH, and/or employees of GH, from and against all claims, demands, actions, or causes of action, which may arise, from the action, conduct, or failure to act by CLIENT. In any cases subject to this indemnity provision, wherein GH, or any employee of GH, is named in a filed or verified complaint simply by virtue of the fact it is the CLAIMS ADMINISTRATION firm, or an employee thereof, on a given claim, the CLIENT will defend GH, and/or its employees, at no cost to GH or its employees.

party may commence mediation by providing to JAMS and the other party a written request for mediation, setting forth the subject of the dispute and the relief requested. The parties will cooperate with JAMS and with one another in selecting a mediator from the JAMS panel of neutrals and in scheduling the mediation proceedings. The parties agree that they will participate in the mediation in good faith and that they will share equally in its costs. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the parties, their agents, employees, experts and attorneys, and by the mediator or any JAMS employees, are confidential, privileged and inadmissible for any purpose, including impeachment, in any arbitration or other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation. Either party may initiate arbitration with respect to the matters submitted to mediation by filing a written demand for arbitration at any time following the initial mediation session. The mediation may continue after the commencement of arbitration if the parties so desire. Any arbitration arising out of or related to this Contract shall be conducted in accordance with the expedited procedures set forth in the JAMS Comprehensive Arbitration Rules and Procedures as those Rules exist on the effective date of this Contract, including Rules 16.1 and 16.2 of those Rules. In any arbitration arising out of or related to this Contract, the arbitrator shall award to the prevailing party, if any, the costs and attorneys' fees reasonably incurred by the prevailing party in connection with the arbitration.

17. FORCE MAJEURE CLAUSE.

GH shall be relieved of any liability if unable to meet the terms and conditions of this Contract due to any "Act of God", natural disasters such as earthquake or fires, floods, riots, epidemics, pandemics, including COVID-19 regulations or restrictions issued by federal, state or local governmental authorities, strikes, or any act or order which is beyond the control of GH, provided GH takes all reasonable steps practical and necessary to effect prompt resumption of its responsibilities hereunder.

18. NOTICES

All notices to GH shall be sent via electronic mail (preferred), or U.S. Mail, postage prepaid, to the following address:

GH
George Hills Company
Attn: John Chaquica, CEO
P.O. Box 278
Rancho Cordova, CA 95741
E-Mail: John.Chaquica@GeorgeHills.com

All notices to the CLIENT shall be personally served or mailed, postage prepaid, to the following address:

<u>Client:</u>	<u>Copy to:</u>
CONTACT	CONTACT
DEPARTMENT	DEPARTMENT
ADDRESS	ADDRESS
CITY, STATE ZIP	CITY, STATE ZIP
E-MAIL	E-MAIL

Claims Adjusting and Administration Services Contract
Between the CLIENT and George Hills Company

page 10 of 35

This Section only, regarding Notices, may be amended unilaterally by either party by and through the communication of new or amended contact information to the other party via e-mail at any time. GH will provide a form to the CLIENT by which it may amend or update the information stated in this section.

19. AMENDMENT

GH and CLIENT agree that the terms and conditions of the Contract may be reviewed or modified at any time. Any modifications to this Contract, however, shall be effective only when agreed to in writing by both the CLIENT and GH, excepting only, modifications to the contact information to which Notices shall be sent under Section 18. Changes to the Scope of Service to be provided by GH which do not effect or alter the compensation due under the terms of this Contract may be agreed to by informal memorandum.

20. AMENDMENT DUE TO GOVERNMENTAL, POLITICAL, OR LEGISLATIVE CHANGES

GH and CLIENT agree that governmental, political, or legislative changes may impact the work of GH and CLIENT on behalf of CLIENT members. GH reserves the right, for the benefit of both parties, to require an amendment to any portion(s) of this Contract, expressly including the compensation, fees, and expenses stated in Section 8, in response to any change to, addition or deletion of any statute, rule, regulation, or policy which materially impacts the liability of public entities in California, damages for which public entities may become responsible, and/or the handling, administration, adjustment, payment, and/or reporting related to services performed under this Contract.

21. CONTRACTOR NOT A PUBLIC OFFICIAL

Neither GH, nor any employee of GH, is a "public official" for purposes of Government Code §§ 87200 et seq. GH conducts research and arrives at conclusions, provides advice, recommendation, or counsel independent of the control and direction of the CLIENT or any official of the CLIENT, other than normal contract monitoring. In addition, GH possesses no authority with respect to any CLIENT decision beyond these conclusions, advice, recommendations, or counsel.

22. ENTIRE CONTRACT

GH and CLIENT agree that this Contract constitutes the entire Contract of the parties regarding the subject matter described herein and supersedes all prior communications, contracts, and promises, either written or oral.

23. TIME OF ESSENCE

Time is of the essence in respect to all provisions of this Contract that specify a time for performance: provided, however that the foregoing shall not be construed to limit or deprive a party of the benefits of any grace or use period allowed in this Contract.

24. COUNTERPARTS

This Contract may be signed in counterparts, each of which is an original, and all of which together constitute this Contract

IN WITNESS WHEREOF the parties represent and warrant they each of them have read, understand, and negotiated the terms and conditions contained herein, and agree to be bound by all terms and conditions of this Contract as outlined in this document and all attachments and/or exhibits included herewith, which are fully incorporated into the Contract.

<p>Approved as to Content:</p> <p>_____</p> <p>Name Title, Client</p>	<p>_____</p> <p>John E. Chaquica, CEO George Hills Company, Inc.</p>
<p>Attest:</p> <p>_____</p> <p>Name Title, Client</p>	
<p>Approved as to Form:</p> <p>_____</p> <p>Name Title, Client</p>	

ATTACHMENT A

**SCOPE OF SERVICES AND CLIENT EXPRESSED AUTHORITY
AND LIMITATIONS UNDER THE CONTRACT**

This Attachment A is intended to provide the Scope of Services referenced in Section 2 of the Contract and also the specific service expectations in the Contract, that would not otherwise require revision during the Contract period, and which may differ from, or elaborate upon, our Client Service Profile. Services to be provided by GH on behalf of CLIENTS may include some or all of the following,

I. SERVICES INCLUDED IN THE CONTRACT

A. General Administrative Services

Throughout each year GH performs numerous functions which support claims administration on behalf of the Client, but do not include any claims handling, and are performed by non-claims personnel. Additionally, in the first year of a new client there are several "on-boarding" services that are general and administrative in nature. Below is a list of such services which are included within the terms of this Contract:

- 1) Claims Management Information System ("CMIS") Services and Reports
 - a. Access to CMIS and training.
 - b. A monthly listing of open claims, showing expense categories, reserves, and total incurred.
 - c. Monthly claim summary reports.
 - d. Monthly hours and claims data detail for billing.

Claims Adjusting and Administration Services Contract
Between the CLIENT and George Hills Company

- e. Providing loss run data and required reports.
- f. Access to GH Client Portal.
- 2) Providing annual reports to outside agencies.
- 3) Filing of regulatory reports (such as 1099, W-9, etc.).
- 4) Trust Account
 - a. Establish and maintain a trust account to pay indemnity and expenses that may be due on claims. The amount to be maintained in the trust account shall be determined by CLIENT.
 - b. If the trust account is set-up with the GH preferred bank—California Bank and Trust, GH covers the cost of Positive Pay and Payee Match.
 - c. If the CLIENT prefers an alternate bank, there may be an additional set-up fee (other banks processes can be extraordinarily time consuming).
 - d. New bank account set up (signature cards, test checks, online access, set up bank in CXP).
 - e. Discussion and agreement on the approval process.
 - f. Preparation of W-9.
 - g. Process checks weekly.
 - h. Submit positive pay if applicable/monitor positive pay (review daily emails from bank for exceptions).
 - i. Maintain a copy of all checks drawn by GH to pay claims and claims related expenses.
 - j. Submit monthly check registers of all transactions made for the period.
 - k. Monitor account balance and prepare replenishment requests monthly. Where replenishment of the account is required more than once per month, an additional administration fee may be required.
 - l. Monthly bank reconciliation (prepared and sent to CLIENT).
 - m. Payment of invoices that are pass-throughs (i.e., invoices for medical record copies, ExamWorks, etc.).
 - n. Respond to special funding requests arising out of the settlement of a claim or case and funding thresholds as defined in the Claim Handling Instructions. In the event that more than two special funding requests are required in a month, an additional fee will apply.
- 5) Certificates of insurance as required by the Contract.
- 6) Annual Service
 - a. Respond to outside financial auditors.
 - b. Provide reports to CLIENT actuaries and claims auditors
 - c. Submit GH SSAE 16 reports, or the current equivalent.
 - d. Providing annual reports to outside agencies.
 - e. Filing of regulatory reports such as 1099, W-9, etc.
- 7) Account Management

B. Investigative Services

- 1) Receipt and examination of all reports of accidents or incidents that are or may be the subject of claims.
- 2) Investigate accidents or incidents as warranted, to include on-site investigation, photographs, witness interviews, determination of losses and other such investigative

Claims Adjusting and Administration Services Contract
Between the CLIENT and George Hills Company

page 13 of 35

services necessary to determine all CLIENT losses but not to include extraordinary investigative services outside the expertise of GH.

- 3) In the event CLIENT or other agency conducts any investigation, and upon Client's request, GH shall review and analyze for liability and/or damage issues and for possible additional follow-up investigation.
- 4) Maintain service on a 24-hour, 7 days per week basis, to receive reports of any incident or accident which may be the subject of a liability claim and provide immediate investigative services to the extent necessary to provide a complete investigation.
- 5) Undertake items of investigation requiring special handling for CLIENT at the direction of the CLIENT's Attorney or authorized representative.

C. Liability and Claim Handling Services

- 1) Promptly set up a claim file upon receipt of the claim and maintain a claim file on each potential or actual claim reported.
- 2) Assess and evaluate the nature and extent of each claim and establish claims reserves for indemnity and legal expense.
- 3) GH will follow any CLIENT policy regarding tort claim rejection instructions, including rejection and return of an untimely or insufficient claim.
- 4) Ensure timely tort claim handling, including contact and follow-up with claimants regarding claim issues and processing.
- 5) Any bodily injury claim that is being pursued shall be indexed. Notice only matters or precautionary bodily injury claims that are not pursued do not need to be indexed.
- 6) Determine the need for defense representation, recommend legal counsel, and support litigation activity.
- 7) Report claims to the excess insurer in compliance with excess carrier's reporting requirements and coordinate with the excess insurer on a claim's progress in accordance with the excess insurer's reporting requirements.
- 8) Maintain records on any such claim and notify CLIENT when CLIENT is about to exhaust the Self-Insured Retention.
- 9) Obtain settlement contracts and releases upon settlement of claims or potential claims not in litigation.
- 10) Perform periodic reviews, as needed, of CLIENT files and claims as well as statutory requirements to ensure compliance including excess insurance related requirements.
- 11) Perform the necessary data gathering for the Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA) and the Set Aside Contracts in compliance with Section 111 of the MMSEA including the required reporting. (See Attachment B)
- 12) To the extent there is privileged information or PHI shared between agencies, which is subject to protection under HIPAA, GH shall implement all necessary measures in compliance with the Act and will execute a Business Associates Agreement (BAA).

D. Litigation Support Services

1. Upon notification by the CLIENT that litigation has been filed naming CLIENT or any of its members, GH shall follow the instructions outlined in the Client Expressed Scope of Work Instructions form. GH will work collaboratively with CLIENT to post all legal payments and expenses and to ensure that all financial activities related to the case are recorded in the system for inclusion on a formal loss run which will be provided to the CLIENT.

2. The CMIS operated by GH will serve as the repository for the CLIENTS's legal file pertaining to the litigation.,
3. GH will collaborate with the CLIENT to ensure that there is a process such that the file contents include the following documents and information:
 1. Operative Summons and Complaint
 2. Case evaluations from defense counsel
 3. A summary or copy of any discovery motions
 4. Summary of discovery efforts and evidence obtained
 5. Expert Witness Reports and summary of expected testimony
 6. A summary or copy of dispositive motions
 7. Mediation or settlement conference statements of all parties
 8. Settlement demands or offers from any party
 9. A copy of any Judgment, arbitration award, or Jury verdict
 10. Any Court order of significance to liability in the case
 11. Appellate documents including open and responsive briefs and opinions or decisions issued by the Court.

E. Litigation Management and Support Services (optional)

- 1) Claims Processors, Adjusters and/or Supervisors will perform the following services in relation to litigated, or to-be-litigated, claims:
 - Upon notification by the CLIENT that litigation has been filed on an open claim, GH shall follow the litigation referral process as outlined in the Client Expressed Scope of Work Instructions form.
 - Work cooperatively with CLIENT in choosing outside counsel from approved panel and assist defense counsel in on-going litigation defense efforts.
 - Obtain and maintain a Litigation Plan and Budget.
 - Review legal bills in connection with Litigation Plan and Budget; Review, evaluate and adjust defense counsel invoices for legal services in cooperation with the CLIENT.
 - Cooperate with and assist defense counsel assigned to litigation of open claims and provide such investigative services as directed during pre-trial and trial stages.
 - Assist in responding to discovery or preparing discovery.
 - At the request of the CLIENT, attend mandatory settlement conferences on behalf of CLIENT.
 - Appear on behalf of CLIENT in small claims actions filed against CLIENT on open claims handled by GH.
 - Review and evaluate case evaluations, correspondence and status reports forwarded to GH by counsel. Regularly discuss, review, and direct investigation, discovery, and case strategy with counsel.
 - Cooperate with counsel and litigation manager as a team with an open communication approach on each case to obtain the most economical and best result for the CLIENT.
- 2) Litigation Managers may perform the following services:
 - a. For designated claims identified as having a complex nature or potential high level of exposure, including coverage issues:

- Review to determine proper handling throughout the life of the claim and/or litigation
 - Assess excess coverage reporting requirements and potential issues related to coverage and advise GH personnel of the need for reporting
 - Identify the need for evidence preservation including scope and duration
 - Assess need for early intervention by and assignment to defense counsel where appropriate
 - Assess need for early retention and evaluation by expert witnesses
 - Review case evaluations, correspondence and status reports forwarded by defense counsel to advise CLIENT on proper handling including settlement, trial, and/or appellate work
 - Monitor the case and advise on updating reserves and financial information on the file to maintain current and accurate loss information
 - Provide advice on and/or assign defense counsel and ensure that a plan of action, budget, and evaluation of the case is prepared and maintained on designated cases
 - Obtain, review, and analyze status reports of defense counsel and participate in selection of strategy, need for motions, retention of experts, trial preparation and trial, and appellate work
 - Cooperate with counsel, claims supervisor and adjuster as a team with an open communication approach on each case to obtain the most economical and best result for the CLIENT
 - Appear at mediations and settlement conferences
- b. For non-claims related matters:
- Evaluate defense attorney case load and areas of practice to ensure consistent handling between cases with similar subject matter
 - Where appropriate, will analyze the work of defense counsel and participate in the selection of new counsel or correction of existing counsel where appropriate
 - Provide input on the selection and retention of new defense counsel whether to retain off-panel counsel for a specific claim or case, or through participation in the RFP process whereby new firms and/or attorneys are added to the County's defense attorney panel.
 - Provide independent analysis of risk exposure not only based on education, training, and experience the Litigation Managers, but also based on litigation trends across the state for similar cases, incidents, and legal issues.

F. Reports and Procedures

- 1) Within thirty (30) days of assignment, or sooner if practicable, required, or requested, GH will provide CLIENT with a report pursuant to specified claims handling instructions, showing name(s) of claimant(s), type of claim, date of loss, comments on liability, reserve recommendations, settlement recommendations, and other pertinent information. Subsequent to the initial thirty (30) day report, GH will report as often as warranted by any important change in status but no longer than every ninety (90) days until the claim closes unless extended diary is appropriate.

- 2) All original reports, documents, and claim data of every kind or description, that are prepared in whole or in part by or for the GH in connection with this contract shall be CLIENT's property and constitute the GH's work product for which compensation is paid. A copy of all reports, documents, and claim data of every kind or description that is in whole or in part by or for the CLIENT is the property of GH. Additional copies of original reports, documents, and data requested by CLIENT will be at CLIENT's expense in accordance with this contract.
- 3) GH agrees that CLIENT have access and the right to audit and reproduce any of the GH's relevant records to ensure that the CLIENT is receiving all services to which the CLIENT is entitled under this Contract or for any purpose relating to the Contract.

G. Data

- 1) Utilize GH's claims management information system. CLIENT will be provided "read-only" access to the claims system. "Read-write" access may be obtained at the CLIENT's additional expense.
- 2) Record all claim information including all financial data.
- 3) Provide CLIENT and broker Read only on-line access to the claims data system (up to five users), if desired by CLIENT.
- 4) Provide monthly standard loss run and check register.
- 5) Provide annual claims data report upon request. Written authorization and/or a Business Associate Agreement may be required for confidential information protected by HIPAA.
- 6) Provide assistance to CLIENT in developing customized reports when requested (may require additional charge).
- 7) Arrange for electronic file conversion for any open and closed claims at the direction of CLIENT.

H. Claim Review Meetings

GH shall, on a mutually agreed periodic basis, meet with Client to review and discuss the CLIENTS claims inventory and claims results of specified periods and delivery of services by CLAIM ADMINISTRATOR. GH will attend four (4) claims review meetings annually with two (2) of the meetings to be attended in-person and an agreed upon location and two (2) of the meeting to be held remotely by phone or video conference.

I. Financial Accounting

- 1) Establish and maintain a trust fund for the purpose of paying indemnity and expenses that may be due on the claims. The amount to be maintained in the trust fund shall be determined by the Client.
- 2) Maintain a copy of all checks drawn by the GH to pay claims and claims related expenses.
- 3) Submit monthly check registers of all transactions made for the period.
- 4) Complete or update Attachment B "Preferred Method of Check Processing" for check processing options.
- 5) Approval process shall be documented in GH Client Expressed Scope of Work Standards and Instruction Form.
- 6) GH will provide monthly bank reconciliation reports to CLIENT for audit purposes.

and all time and expense incurred by GH's subrogation claim adjuster, and/or subrogation division staff, up to the time wherein the claim has been recalled by the CLIENT.

- 5) Where requested, GH shall consult with CLIENT on claims and other related matters not specifically assigned to GH for handling under this Contract.
- 6) GH reserves the right to cease working on any claim whereas information has not been made available to GH within 120 days after GH has submitted the information and/or documentation to the CLIENT, at such time, the claim will be closed.
- 7) Due to the nature of these services, in that compensation is contingent upon recovery, if the contract is terminated prior to recovery or other closure of any claim, the CLIENT shall pay GH for all expenses and time spent, to date, on any claims(s) currently open and recovery in process. Payment shall be based on the current hourly rate of GH of \$95.00 per hour. GH will submit final invoice within five business days of termination.
- 8) All costs and expenses of litigation filed pursuant to this section, including attorney fees for outside counsel where necessary and approved, will be paid by the CLIENT.
- 9) GH does not handle subrogation claims with a value less than \$1,000, unless a separate arrangement is established and agreed to.
- 10) Billing for Services and Payment to GH: The process preferred by GH is stated as follows:
 - A. Once recovery is agreed to between GH and the at-fault party and all documentation executed including a release, the at-fault party will issue a check to GH for the full agreed upon amount;
 - B. GH shall deposit the gross recovered funds into the GH Client Trust Fund.
 - C. Within ten (10) days after deposit, GH will issue the net payment to the CLIENT of the amount remaining after deduction of the fees to compensation GH based on this Contract.
 - D. If CLIENT terminates the services of GH related to First Party Subrogation before the end of the Term, GH will invoice on a time and expense basis all work on claims for which collection has not been received by GH. The parties may discuss additional conditions under which payment may be made or work continued and may reach an additional agreement related thereto at the time of termination.

II. **CLIENT EXPRESSED AUTHORITY AND LIMITATIONS**

The list immediately below contains numerous services provided in this Contract for which GH requests the CLIENT expressly establish authority and/or limitations, on the ability of GH to act on behalf of the CLIENT. The CLIENT will check the appropriate box establishing the authority of GH to act or the limitation as to that authority.

GENERAL ADMINISTRATIVE SERVICES:

- George Hills will establish and maintain a trust account for claim-related payments

Claims Adjusting and Administration Services Contract
Between the CLIENT and George Hills Company

page 19 of 35

<input type="checkbox"/> CLIENT will will make all claim-related payments <input type="checkbox"/> GH will send certificates of insurance to the following contact: _____
INVESTIGATIVE SERVICES: <input type="checkbox"/> George Hills will conduct all investigations <input type="checkbox"/> CLIENT will conduct all investigations <input type="checkbox"/> CLIENT will direct GH on each claim as to who performs investigations <i>In the event the Client or other agency conducts any investigation, GH shall review for completeness.</i> <u>Retention of Vendors</u> (appraisers, translators, copy services, Independent Adjuster, IME's, Surveillance, etc.): <input type="checkbox"/> Must be preauthorized by CLIENT <input type="checkbox"/> Does not need preauthorization
LIABILITY AND CLAIM HANDLING SERVICES: CLIENTS position regarding rejections (e.g., if entity so dictates, a claim will be rejected for insufficiency). Check all that apply. <u>Protocols for Rejections</u> <input type="checkbox"/> GH needs authorization <input type="checkbox"/> GH does not need authorization <input type="checkbox"/> GH sends the Rejection <input type="checkbox"/> CLIENT sends the Rejection <input type="checkbox"/> GH sends out Denial Letter simultaneously with Rejection outlining the reason
LITIGATION SUPPORT SERVICES: Check all that apply. <input type="checkbox"/> CLIENT will handle litigated claims inhouse, with GH to capture data into SIMS <input type="checkbox"/> CLIENT will send data to GH weekly <input type="checkbox"/> CLIENT will send data to GH monthly <u>Excess Reporting</u> <input type="checkbox"/> GH will report claims to the excess insurer in compliance with excess carrier's reporting requirements and coordinate with the excess insurer on a claim's progress in accordance with the excess insurer's reporting requirements. <input type="checkbox"/> CLIENT will report claims to the excess insurer in compliance with excess carrier's reporting requirements and coordinate with the excess insurer on a claim's progress in accordance with the excess insurer's reporting requirements

Claims Adjusting and Administration Services Contract
Between the CLIENT and George Hills Company

page 20 of 35



<p><u>Claims Exceeding SIR:</u></p> <p><input type="checkbox"/> GH stops tracking activity once the SIR has been reached.</p> <p><input type="checkbox"/> GH will continue to track all activity at and/or above the SIR. The Excess JPA/Carrier will provide GH with activity documentation above the SIR.</p> <p><input type="checkbox"/> GH will reserve to Full Value and track recoveries.</p>	
<p>LITIGATION MANAGEMENT AND SUPPORT SERVICES:</p> <p>Check all that apply.</p> <p><input type="checkbox"/> GH will handle litigated claims</p> <p style="padding-left: 20px;"><input type="checkbox"/> All litigated cases</p> <p style="padding-left: 20px;"><input type="checkbox"/> Case as assigned</p> <p><u>Mandatory Settlement Conferences</u></p> <p><input type="checkbox"/> GH always attends</p> <p><input type="checkbox"/> CLIENT will attend with GH attending upon request only</p> <p><u>Small Claims Actions filed against CLIENT</u></p> <p><input type="checkbox"/> GH always appears</p> <p><input type="checkbox"/> CLIENT will attend with GH attending upon request only</p> <p><u>Legal Counsel</u></p> <p><input type="checkbox"/> GH must have CLIENT authorization to refer to outside Legal Counsel</p> <p><input type="checkbox"/> GH does not need CLIENT authorization to refer to outside Legal Counsel</p> <p><input type="checkbox"/> GH must use CLIENT approved Legal Panel for Attorney selection</p> <p><input type="checkbox"/> CLIENT does not have an approved Legal Panel for Attorney selection</p> <p><input type="checkbox"/> All Litigation to be handled by CLIENT inhouse Legal</p> <p><input type="checkbox"/> GH always sends Litigation Assignment packets to Legal Counsel</p> <p style="padding-left: 40px;">CLIENT specific Litigation Guidelines: <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p style="padding-left: 40px;">CLIENT specific Litigation Referral Form/Letter: <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p style="padding-left: 40px;">CLIENT specific Litigation Budget Form: <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Pay fees for Experts, photocopies, medical records as: <input type="checkbox"/> Expense <input type="checkbox"/> Legal</p>	
<p>REPORTS AND PROCEDURES:</p> <p><input type="checkbox"/> GH will provide client report of all claims _____(specify frequency).</p> <p><input type="checkbox"/> GH will arrange for the performance of an audit annually.</p> <p><input type="checkbox"/> CLIENT will arrange for the performance of an audit annually.</p>	



<p>AUTHORITY LEVELS:</p> <p><u>Reserve within SIR:</u></p> <p><input type="checkbox"/> \$0.00 <input type="checkbox"/> Other: _____</p> <p>Adjuster must seek approval from (client contact) to post indemnity reserves above authority level.</p> <p><u>Settlement Authority:</u></p> <p><input checked="" type="checkbox"/> \$0.00 <input type="checkbox"/> Other: _____</p> <p>Adjuster must seek approval from (client contact) to consent to settlement of any claim at or above the amount indicated.</p> <p><u>Medical Treatment:</u></p> <p><input type="checkbox"/> Medical Authorizations should only be sent to the claimant once liability is determined to be adverse to the CLIENT.</p> <p><input type="checkbox"/> Medical Authorizations should go out as soon as it is determined that a BI claim is being pursued.</p>
<p>FINANCIAL ACCOUNTING:</p> <p><input type="checkbox"/> George Hills will establish and maintain a trust account for claim-related payments</p> <p><input type="checkbox"/> CLIENT will will make all claim-related payments</p> <p><input type="checkbox"/> George Hills will provide trust account reconciliation reports monthly</p> <p><input type="checkbox"/> George Hills will provide check registers reports monthly</p>
<p>THIRD PARTY SUBROGATION SERVICES:</p> <p><input type="checkbox"/> GH is authorized to initiate third party subrogation claims on behalf of CLIENT</p> <p><input type="checkbox"/> GH must obtain authorization to initiate third party subrogation claims on behalf of CLIENT.</p>
<p>FIRST PARTY SUBROGATION SERVICES:</p> <p><input type="checkbox"/> CLIENT elects to incorporate the first party subrogation services of GH into the contract</p> <p><input type="checkbox"/> CLIENT authorizes GH to initiate first party subrogation claims on behalf of CLIENT</p> <p><input type="checkbox"/> CLIENT agrees to the additional compensation payable to GH for its first party subrogation services as follows:</p> <p>GH shall be entitled to 30% of the gross recovery for each claim initiated by GH through its first party subrogation efforts.</p> <p><input type="checkbox"/> CLIENT agrees to the terms and conditions stated in Attachment B, Subrogation Services.</p>



ATTACHMENT A-1

SUBROGATION AGREEMENT

This Subrogation Agreement is made and entered into this _____ day of _____, 2024 by and between the _____, hereinafter referred to as "CLIENT", and GEORGE HILLS COMPANY, INC., hereinafter referred to as "GH".

- I. GH does not handle subrogation claims with a value of less than \$1000. For those claims in excess of \$1000, CLIENT may, at CLIENT's own expense:
 - a. Authorize GH to act as a representative of CLIENT for the investigation, adjustment, processing, supervision and evaluation of an ultimate recovery of potential money from damage claims against parties for whom it is alleged to be legally responsible.
 - b. Authorize GH to engage the services of a litigation attorney to consult, review, and determine the best legal strategy available at the time to obtain the best possible result for CLIENT. Upon determination by the attorney that a civil action is in the best interest of CLIENT, GH will notify CLIENT and obtain authorization to pursue recovery in accordance with the recommendations of the litigation attorney.
 - c. While GH is handling a subrogation claim for CLIENT pursuant to the terms of this Contract, the institution of a civil action is determined by CLIENT to be the best course of action, CLIENT may elect to do so at CLIENT's own expense.
 - i. Recall the claim to CLIENT's control so that CLIENT may pursue recovery in a manner to be determined by the CLIENT's attorney to be in the best interest of the CLIENT.
 - ii. In the event CLIENT recalls the claim as indicated above, CLIENT shall be responsible for payment to GH for any and all time and expense incurred by GH's subrogation claim adjuster and/or other subrogation division staff up to the time wherein the claim has been recalled by CLIENT.

Claims Adjusting and Administration Services Contract
Between the CLIENT and George Hills Company

page 23 of 35

- II. CLIENT will pay a Subrogation Fee in the amount of 30% for each and every recovery obtained. The minimum amount to be paid to GH will be \$250 per claim upon recovery. However, GH has the authority to reject any claim for any reason, relieving CLIENT of any fiscal responsibility for rejected claims only.
- a. Generally, no recovery shall be agreed to involving payment plans if the recovery is less than \$5,000 and/or greater than a one-year term. Exceptions can be made on a case-by-case basis. If a recovery is agreed to exceed this amount and/or length of time, Subrogation fee shall be 45%. In the event a payment plan is authorized and entered into, the subrogation fee will be based upon the total amount of the lien and will be invoiced to the CLIENT upon the entry of the payment agreement. GH will make every attempt to enforce the provisions of the payment agreement with the claimant, but in no way guarantees the fulfillment of the terms of the payment agreement. In the event the terms of the payment agreement are not fulfilled and warrant pursuit through the small claims process, authority to pursue through small claims will be requested.
 - b. Authorize GH to appear in small claims court for recovery of funds. Authority for the pursuit of recovery through small claims will be requested prior to the filing of documents with the court to initiate the small claims action. Each appearance will be an additional fee of \$150. All costs for the handling of small claims court actions, i.e. service of process of documents on the responsible parties, mileage, parking, and toll shall be an additional cost and will be the responsibility of the CLIENT. Additional allocated costs shall be billed separately upon the cost being incurred, such as, but not limited to: skip tracing, service of process, and third-party sub contracted investigation.
 - c. GH reserves the right to cease working on any claim whereas information has not been made available to GH within 120 days after GH has submitted the information and/or documentation request to CLIENT, at such time the claim will be closed.
 - d. Due to the nature of these services, in that compensation is contingent upon recovery, if the contract is terminated prior to recovery or other closure of any claim, the CLIENT shall pay GH for all expenses and time spent, to date, on any claim(s) currently open and recovery in process. Payment shall be based on the current hourly rate of GH. GH will submit the final invoice within five business days of termination.

III. General Terms and Conditions

- a. Successors and Assigns.
All of the rights, benefits, duties, liabilities, and obligations of the parties shall inure to the benefit of, and be binding upon, their respective successors and assigns.
- b. Construction.
The title and headings of the Sections in this Agreement are intended solely for reference and do not modify, explain, or construe any provision of this Agreement. All references to sections, recitals, and the preamble shall, unless otherwise stated, refer to the Sections, Recitals, and Preamble of this Agreement. In construing this Agreement, the singular form shall include the plural and vice versa. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties have prepared the Agreement.

Claims Adjusting and Administration Services Contract
Between the CLIENT and George Hills Company

page 24 of 35

- c. **Integration.**
This Agreement, and all related documents referred to in this Agreement, constitute the entire Agreement between the parties. There are no oral agreements which are not expressly set forth in this Agreement and the related documents being executed in connection with this Agreement. This Agreement may not be modified, amended, or otherwise changed except by a writing executed by the party to be charged.
- d. **Third-Party Rights.**
Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the parties and their respective successors and assigns, any rights or remedies.
- e. **Severability.**
If any term or provision of this Agreement is held invalid or unenforceable, the remainder of this Agreement shall not be affected.
- f. **Waivers.**
No waiver or breach of any provision shall be deemed a waiver of any other provision, and no waiver shall be valid unless it is in writing and executed by the waiving party. No extension of time for performance of any obligation or act shall be deemed an extension of time for any other obligation or act.
- g. **Counterparts.**
This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument. The execution of this Agreement shall be deemed to have occurred, and this Agreement shall be enforceable and effective, only upon the complete execution of this Agreement by Seller and Purchaser.
- h. **Authority of Parties.**
All persons executing this Agreement on behalf of a party warrant that they have the authority to execute this Agreement on behalf of that party.
- i. **Governing Law.**
This Agreement shall be governed by and construed in accordance with California law.

Date

BY: _____
John E. Chaquica, CEO
GEORGE HILLS COMPANY, INC.

Date

BY: _____

NAME, TITLE
CLIENT

DRAFT

Claims Adjusting and Administration Services Contract
Between the CLIENT and George Hills Company

page 26 of 35



**ATTACHMENT C
PREFERRED METHOD OF CHECK PROCESSING**

1. Selection of Bank
 - a) GH uses CA Bank & Trust
 - b) Clients ChoiceName
Address
Please provide signature cards, sample check, starting check number, name of contact person
2. Trust Balance Desired \$ _____
3. Account funding: GH will notify client when the balance falls below required balance
- 4A. Number of Signatures Required
 - a) One
 - b) Two on all checks
 - c) Two on checks in excess of \$ _____
- 4B. If two signatures are required please specify:
 - a) Both GH
 - b) One GH, one clientGH signers: John Chaquica, CEO; Chris Shaffer, COO;
5. Accountability
 - a) Positive Pay: Yes No
GH recommends positive pay to mitigate the potential for fraud.
 - b) Check Registers: Yes No
Weekly Monthly
 - c) Statement to be balanced by client, or
 Statement to be balanced by GH with copies to client

ATTACHMENT D ALLOCATED EXPENSES

Typically, allocated expenses are those expenses that are generated by a claim (by outside vendors other than George Hills) that cannot be foreseen nor included in this Contract. These expenses are generally allocated back to the specific claim file for which the cost was incurred and then charged back to the entity whose claim incurred that cost. In most situations these are pass-through costs (with processing fees) for services and/or fees not directly generated by the TPA, but rather by a third-party consultant where the TPA has acted as an agent on behalf of the entity to necessarily outsource services to a third-party consultant and/or miscellaneous fees applicable to the specific claim applied by an outside entity, such as a court or copy services. Below, George Hills has provided a list, which is not an exhaustive list, of typical allocated expenses.

Paid to GH

- CMS reporting costs and fees (ExamWorks);

Paid to Others as Authorized by Client

- Fees of outside counsel for claims in suit, coverage opinions, and litigation, and for representation and hearings or pretrial conferences;
- Fees of court reporters;
- All court costs, court fees, and court expenses;
- Fees for service of process;
- Costs of undercover operatives and detectives (if initially paid by GH);
- Costs for employing experts for the preparation of maps, professional photographs, accounting, chemical or physical analysis, or diagrams;
- Costs for employing experts for the advice, opinions, or testimony concerning claims under investigation or in litigation for which a declaratory judgment is sought;
- Costs for independent medical examination or evaluation for rehabilitation;
- Costs of legal transcripts of testimony taken at coroner's inquests, or criminal or civil proceeding;
- Costs for copies of any public records or medical records;
- Costs of depositions and court reporting;
- Costs and expenses of subrogation, (if not George Hills);
- Costs of engineers, handwriting experts, or any other type of expert used in the preparation of litigation or used in a one-time basis to resolve disputes;
- Witness fees and travel expenses;
- Costs of photographers and photocopy services (if not George Hills—our costs for this is included in our rate);
- Costs of appraisal fees and expenses not included in flat fee or performed by others;
- Costs of indexing claimants;
- Services performed outside the TPA's normal geographical regions;
- Costs associated with Medicare Set-Aside analysis and submission or Medicare Conditional Lien negotiation;

- Investigation of possible fraud including SIU services and related expenses; and/or
- Any other similar cost, fee, or expense that is not otherwise included in the TPA's service fees that is reasonably chargeable to the investigation, negotiation, settlement, or defense of a claim or loss or to the protection or perfection of the subrogation rights of the entity, including travel related expenses.

Travel Related

- Costs of travel related to claims including mileage driven, such as for attendance at inspections, mediations, and trial, shall be allocated to the specific claim and reimbursed to GH based on the actual cost incurred. Mileage shall be reimbursed at the current IRS rate at the time the mileage is traveled.

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ATTACHMENT E

BUSINESS ASSOCIATE AGREEMENT
BETWEEN CLIENT
AND GEORGE HILLS COMPANY, INC.

This Business Associate Agreement ("BAA") is made and entered into this _____ day of _____, 2024 by and between the CLIENT, hereinafter referred to as "CLIENT," and GEORGE HILLS COMPANY, INC., hereinafter referred to as "GH."

I. RECITALS

WHEREAS, on or about DATE, GH entered into a written contract with CLIENT to perform obligations and services related to the handling and administration of general liability claims filed against or with CLIENT.

WHEREAS, the obligations of the Contract require that CLIENT provide to GH date, documents, and information which may contained protected health information ("PHI") and/or electronic PHI ("ePHI") within the definition of the Health Information Portability and Accountability Act ("HIPAA") related to the general liability claims, for the purpose of administering those claims.

NOW, THEREFORE, in consideration of the mutual promises of the parties and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the PARTIES hereto agree as follows:

II. DEFINITIONS

Catch-all definition:

The following terms used in this AGREEMENT shall have the same meaning as those terms in the HIPAA Rules: Breach, Data Aggregation, Designated Record Set, Disclosure, Health Care Operations, Individual, Minimum Necessary, Notice of Privacy Practices, Protected Health Information, Required By Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information, and Use.

Specific definitions:

(a) Business Associate. "Business Associate" shall generally have the same meaning as the term "business associate" at 45 CFR 160.103, and in reference to the party to this agreement, shall mean GEORGE HILLS COMPANY.

(b) Covered Entity. "Covered Entity" shall generally have the same meaning as the term "covered entity" at 45 CFR 160.103, and in reference to the party to this agreement, shall mean CLIENT.

(c) HIPAA Rules. "HIPAA Rules" shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164.

III. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE

Pursuant to this agreement GH agrees to:

- (a) Not use or disclose protected health information other than as permitted or required by the Agreement or as required by law;
- (b) Use appropriate safeguards, and comply with Subpart C of 45 CFR Part 164 with respect to electronic protected health information, to prevent use or disclosure of protected health information other than as provided for by the Agreement;
- (c) Report to covered entity any use or disclosure of protected health information not provided for by the Agreement of which it becomes aware, including breaches of unsecured protected health information as required at 45 CFR 164.410, and any security incident of which it becomes aware;
- (d) In accordance with 45 CFR 164.502(e)(1)(ii) and 164.308(b)(2), if applicable, ensure that any subcontractors that create, receive, maintain, or transmit protected health information on behalf of the business associate agree to the same restrictions, conditions, and requirements that apply to the business associate with respect to such information;
- (e) Make available protected health information in a designated record set to the GH as necessary to satisfy covered entity's obligations under 45 CFR 164.524;
- (f) Make any amendment(s) to protected health information in a designated record set as directed or agreed to by the covered entity pursuant to 45 CFR 164.526, or take other measures as necessary to satisfy covered entity's obligations under 45 CFR 164.526;
- (g) Maintain and make available the information required to provide an accounting of disclosures to the GH as necessary to satisfy covered entity's obligations under 45 CFR 164.528;
- (h) To the extent the business associate is to carry out one or more of covered entity's obligation(s) under Subpart E of 45 CFR Part 164, comply with the requirements of Subpart E that apply to the covered entity in the performance of such obligation(s); and
- (i) Make its internal practices, books, and records available to the Secretary for purposes of determining compliance with the HIPAA Rules.

IV. PERMITTED USES AND DISCLOSURES BY BUSINESS ASSOCIATE

- (a) Business associate may only use or disclose protected health information for the purposes described in the Contract between GH and CLIENT, specifically for the purpose of adjusting and administering the general liability claims filed against CLIENT.
- (b) Business associate may use or disclose protected health information as required by law.

(c) Business associate agrees to make uses and disclosures and requests for protected health information consistent with covered entity's minimum necessary policies and procedures.

(d) Business associate may not use or disclose protected health information in a manner that would violate Subpart E of 45 CFR Part 164 if done by covered entity [if the Agreement permits the business associate to use or disclose protected health information for its own management and administration and legal responsibilities or for data aggregation services as set forth in optional provisions (e), (f), or (g) below, then add ", except for the specific uses and disclosures set forth below."]

(e) Business associate may use protected health information for the proper management and administration of the business associate or to carry out the legal responsibilities of the business associate.

(f) Business associate may disclose protected health information for the proper management and administration of business associate or to carry out the legal and contractual responsibilities of the business associate, provided the disclosures are required by law, or business associate obtains reasonable assurances from the person to whom the information is disclosed that the information will remain confidential and used or further disclosed only as required by law or for the purposes for which it was disclosed to the person, and the person notifies business associate of any instances of which it is aware in which the confidentiality of the information has been breached.

(g) Business associate may provide data containing PHI and or ePHI to third party entities for storage, security, and/or aggregation services relating to the claims administration services provided by GH.

V. PROVISIONS FOR COVERED ENTITY TO INFORM BUSINESS ASSOCIATE OF PRIVACY PRACTICES AND RESTRICTIONS

(a) Covered entity shall notify business associate of any limitation(s) in the notice of privacy practices of covered entity under 45 CFR 164.520, to the extent that such limitation may affect business associate's use or disclosure of protected health information.

(b) Covered entity shall notify business associate of any changes in, or revocation of, the permission by an individual to use or disclose his or her protected health information, to the extent that such changes may affect business associate's use or disclosure of protected health information.

(c) Covered entity shall notify business associate of any restriction on the use or disclosure of protected health information that covered entity has agreed to or is required to abide by under 45 CFR 164.522, to the extent that such restriction may affect business associate's use or disclosure of protected health information.

VI. PERMISSIBLE REQUESTS BY COVERED ENTITY

Covered entity shall not request business associate to use or disclose protected health information in any manner that would not be permissible under Subpart E of 45 CFR Part 164 if done by covered entity.

VII. TERM AND TERMINATION

(a) Term. The Term of this Agreement shall be effective as of DATE and shall terminate on DATE or on the date covered entity terminates for cause as authorized in paragraph (b) of this Section, whichever is sooner.

(b) Termination for Cause. Business associate authorizes termination of this Agreement by covered entity, if covered entity determines business associate has violated a material term of the Agreement and business associate has not cured the breach or ended the violation within the time specified by covered entity.

(c) Obligations of Business Associate Upon Termination.

Upon termination of this Agreement for any reason, business associate, with respect to protected health information received from covered entity, or created, maintained, or received by business associate on behalf of covered entity, shall:

Retain only that protected health information which is necessary for business associate to continue its proper management and administration or to carry out its legal and contractual responsibilities;

Return to covered entity, or destroy, the protected health information that the business associate maintains in any form;

Continue to use appropriate safeguards and comply with Subpart C of 45 CFR Part 164 with respect to electronic protected health information to prevent use or disclosure of the protected health information, other than as provided for in this Section, for as long as business associate retains the protected health information;

Not use or disclose the protected health information retained by business associate other than for the purposes for which such protected health information was retained and subject to the same conditions set out above under "Permitted Uses and Disclosures By Business Associate" which applied prior to termination; and

Return to covered entity, or destroy, the protected health information retained by business associate when it is no longer needed by business associate for its proper management and administration or to carry out its legal and contractual responsibilities.

(d) Survival. The obligations of business associate under this Section shall survive the termination of this Agreement.

BY: _____

Claims Adjusting and Administration Services Contract
Between the CLIENT and George Hills Company

page 34 of 35

Date

John E. Chaquica, CEO
GEORGE HILLS COMPANY INC.

Date

BY: _____
NAME, TITLE
CLIENT

DRAFT

Claims Adjusting and Administration Services Contract
Between the CLIENT and George Hills Company

page 35 of 35



Contract_10089810-24-J, Adjuster Services - Final

Final Audit Report

2025-05-27

Created:	2025-05-27
By:	Janet Polite (JPolite@sandiego.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAAY1Kom4Ao8SdHxS_NseB49q3JAYInp2ET

"Contract_10089810-24-J, Adjuster Services - Final" History

-  Document created by Janet Polite (JPolite@sandiego.gov)
2025-05-27 - 4:51:45 PM GMT- IP address: 208.127.237.208
-  Document emailed to john.chaquica@georgehills.com for signature
2025-05-27 - 5:03:38 PM GMT
-  Email viewed by john.chaquica@georgehills.com
2025-05-27 - 5:04:01 PM GMT- IP address: 52.1.140.55
-  Signer john.chaquica@georgehills.com entered name at signing as John E. Chaquica
2025-05-27 - 5:08:25 PM GMT- IP address: 76.32.10.20
-  Document e-signed by John E. Chaquica (john.chaquica@georgehills.com)
Signature Date: 2025-05-27 - 5:08:27 PM GMT - Time Source: server- IP address: 76.32.10.20
-  Agreement completed.
2025-05-27 - 5:08:27 PM GMT

RESOLUTION NUMBER R- **316251**
DATE OF FINAL PASSAGE JUN 16 2025

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO AUTHORIZING THE AWARD OF A
CONSULTANT AGREEMENT IN AN AMOUNT NOT TO
EXCEED \$3,000,000 WITH GEORGE HILLS COMPANY FOR
ADJUSTER SERVICES AND RELATED ACTIONS.

RECITALS

The Council of the City of San Diego (Council) adopts this Resolution based on the following:

A. Council Policy 400-10 provides standards for the City of San Diego's (City) response to water main break and sewer backups that impact private property, including claims adjustment. The purpose of Council Policy 400-10 is to maintain good public relations, reduce unnecessary court costs, and promote the prompt, efficient handling of claims that arise from water main breaks or sewer backups.

B. The City seeks to retain a consultant to perform adjuster services related to damages and losses on private property resulting from City water main breaks or sewer backups consistent with Council Policy 400-10.

C. In June 2024, the City issued a Request for Proposals (RFP) to solicit adjuster services related to water main breaks and sewer backups on private property. Two firms submitted timely proposals in response to the RFP. City staff selected George Hills Company based on its qualifications in accordance with Council Policy 300-07.

D. The City now desires to retain George Hills Company to provide the adjuster services related to damages and losses resulting from City water main breaks and sewer backups. The City and George Hills Company negotiated a Consultant Agreement, included in the docket

materials accompanying this Resolution. The Consultant Agreement is for a term of five years and an amount not to exceed \$3,000,000.

E. The Office of the City Attorney prepared this Resolution based on the information provided by City staff (including information provided by affected third parties and verified by City staff), with the understanding that this information is complete and accurate.

ACTION ITEMS

Be it resolved by the Council of the City of San Diego:

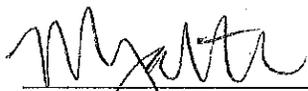
1. The Council approves the Services Agreement.

2. The Mayor or designee is authorized, on the City's behalf, to sign the Consultant Agreement. When signed by both parties, the Consultant Agreement will be placed on file in the Office of the City Clerk as Document No. RR- **316251**.

3. The Chief Financial Officer is authorized to appropriate and expend funds under the Consultant Agreement in an amount not to exceed \$3,000,000, including up to \$2,000,000 from Fund 700011, Water Utility Operating Fund, and \$1,000,000 from Fund 700000, Muni Sewer Revenue Fund, contingent upon the adoption of the Annual Appropriation Ordinance for the applicable fiscal year, and contingent upon the Chief Financial Officer first certifying that the funds necessary for expenditure are, or will be, on deposit with the City Treasurer.

APPROVED: HEATHER FERBERT, City Attorney

By



Michael D. Johnston
Deputy City Attorney

MDJ:jn2:cw
May 23, 2025
Or.Dept: Public Utilities Department
CC No.: 3000017741
Doc. No.: 4070685

I certify that the Council of the City of San Diego adopted this Resolution at a meeting held on
JUN 09 2025

DIANA J.S. FUENTES
City Clerk

By Connie Patterson
Deputy City Clerk

Approved: 6/12/2025
(date)

Todd Gloria
TODD GLORIA, Mayor

Vetoed: _____
(date)

TODD GLORIA, Mayor

The City of San Diego
COMPTROLLER'S CERTIFICATE

CERTIFICATE OF UNALLOTTED BALANCE

ORIGINATING

CC 3000017741
 DEPT. NO. 2000

I HEREBY CERTIFY that the money required for the allotment of funds for the purpose set forth in the foregoing resolution is available in the Treasury, or is anticipated to come into the Treasury, and is otherwise unallotted.

Amount: _____

Purpose: _____

Date: _____ By: _____

COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA									
Doc. Item	Funded Program	Fund	Grant Number	G/L Account	Functional Area	Business Area	Fund Center or Cost Center	Internal Order or WBS Element	Original Amount
TOTAL AMOUNT									

FUND OVERRIDE

CERTIFICATION OF UNENCUMBERED BALANCE

I HEREBY CERTIFY that the indebtedness and obligation to be incurred by the contract or agreement authorized by the hereto attached resolution, can be incurred without the violation of any of the provisions of the Charter of the City of San Diego; and I do hereby further certify, in conformity with the requirements of the Charter of the City of San Diego, that sufficient moneys have been appropriated for the purpose of said contract, that sufficient moneys to meet the obligations of said contract are actually in the Treasury, or are anticipated to come into the Treasury, to the credit of the appropriation from which the same are to be drawn, and that the said money now actually in the Treasury, together with the moneys anticipated to come into the Treasury, to the credit of said appropriation, are otherwise unencumbered.

Not to Exceed: \$600,000.00

Vendor: George Hills Company

Purpose: Agreement with George Hills Company, for adjuster services regarding remediation and clean-up services on private property damaged by City of San Diego Water Main Breaks and Sewer Backups.

Date: May 13 2025 By: Jessica Tran and Elizabeth Warnock

COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA									
Doc. Item	Funded Program	Fund	Grant Number	G/L Account	Functional Area	Business Area	Fund Center	IO or WBS Element	Original Amount
1	Non-Program	700000		512059	OTHR-00000000-SU	2000	2000181401		\$200,000.00
2	Non-Program	700011		512059	OTHR-00000000-WU	2000	2000210001		\$400,000.00
TOTAL AMOUNT									\$600,000.00

Handwritten initials/signature

FUND OVERRIDE

Passed by the Council of The City of San Diego on JUN 09 2025, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Joe LaCava	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jennifer Campbell	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Stephen Whitburn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Henry Foster, III	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marni von Wilpert	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kent Lee	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Raul A. Campillo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vivian Moreno	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sean Elo-Rivera	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage JUN 16 2025

(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

TODD GLORIA
Mayor of The City of San Diego, California.

(Seal)

DIANA J.S. FUENTES
City Clerk of The City of San Diego, California.

By Linda Irwin, Deputy

Office of the City Clerk, San Diego, California
Resolution Number R- **316251**

Passed by the Council of The City of San Diego on June 9, 2025, by the following vote:

YEAS: LACAVA, WHITBURN, FOSTER III, VON WILPERT, LEE, CAMPILLO,
MORENO, & ELO-RIVERA.

NAYS: NONE.

NOT PRESENT: CAMPBELL.

RECUSED: NONE.

AUTHENTICATED BY:

TODD GLORIA

Mayor of The City of San Diego, California

DIANA J.S. FUENTES

City Clerk of The City of San Diego, California

(Seal)

By: Linda Irvin, Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true, and correct copy of
RESOLUTION NO. R-316251 approved on June 9, 2025. The date of final passage is
June 16, 2025.

DIANA J.S. FUENTES

City Clerk of the City of San Diego, California

(Seal)

By: Linda Irvin, Deputy