

**CITY OF MIRAMAR
PROPOSED CITY COMMISSION AGENDA ITEM**

Meeting Date: March 5, 2019

Presenter's Name and Title: Randy Cross, Director of Human Resources

Prepared By: Sheron Harding, Human Resources Manager

Temp. Reso. Number: 6902

Item Description: Temp. Reso. R6902, AUTHORIZING THE CITY MANAGER TO RENEW THE AGREEMENT WITH GALLAGHER BASSETT SERVICES, INC., FOR THE PERIOD OF APRIL 1, 2019 TO MARCH 31, 2020, FOR THIRD PARTY ADMINISTRATION OF CLAIMS MANAGEMENT IN AREAS INCLUDING AUTOMOBILE LIABILITY, BODILY INJURY, PROPERTY DAMAGE, GENERAL LIABILITY INJURY AND PROPERTY DAMAGE, PROFESSIONAL LIABILITY AND WORKERS' COMPENSATION SERVICES FOR CITY EMPLOYEES. (Human Resources Director Randy Cross)

Consent ☐ Resolution ☒ Ordinance ☐ Quasi-Judicial ☐ Public Hearing ☐

Instructions for the Office of the City Clerk: None

Public Notice – As required by the Sec. ____ of the City Code and/or Sec. ____, Florida Statutes, public notice for this item was provided as follows: on _____ in a _____ ad in the _____; by the posting the property on _____ and/or by sending mailed notice to property owners within ____ feet of the property on _____ (fill in all that apply)

Special Voting Requirement – As required by Sec. _____, of the City Code and/or Sec. _____, Florida Statutes, approval of this item requires a _____ (unanimous, 4/5ths etc.) vote by the City Commission.

Fiscal Impact: Yes ☒ No ☐

REMARKS: Funds of approximately \$124,000 are included within the FY2019 Risk Management budget for the subject services; and amounts as per the proposed contract will be budgeted in the FY2020 budget, in GL Account numbers 502-90-000-590-000-604941, 604942, 604943.

Content:

- Agenda Item Memo from the City Manager to City Commission
- Resolution TR 6902
- Exhibit(s)
 - Exhibit A: Gallagher Bassett Services, Inc. the first year option pricing for the period 4/1/2019 – 3/31/2020
- Attachment(s)
 - Attachment 1: Existing Agreement with Gallagher Bassett Services, Inc.



**CITY OF MIRAMAR
INTEROFFICE MEMORANDUM**

TO: Mayor, Vice Mayor, & City Commissioners

FROM: Vernon E. Hargray, City Manager *v. Hargray*

BY: Randy Cross, Director of Human Resources

DATE: February 27, 2018

RE: Temp. Reso. No. 6902, Renewal of contract for Third Party Administration of Claims Management

RECOMMENDATION: The City Manager recommends approval of Temp. Reso. No. R6902, authorizing the City Manager to renew the agreement with Gallagher Bassett Services, Inc., for the 12-month period from April 1, 2019 to March 31, 2020.

ISSUE: The City of Miramar selected Gallagher Bassett Services, Inc. in a competitive RFP process in 2016. City Commission approval is required for renewal of this agreement.

BACKGROUND: During the past 25 years, the City has maintained an aggressive claims management program as part of the City's Self-Funded Risk Management program. The program includes the management of auto accidents, bodily injury, property damage, general liability and workers' compensation claims. The City's Comprehensive Self-Funded Risk Management program requires third party claims administration services in managing these claims as part of a larger strategy in a more sophisticated risk management arena.

In December of 2015, the City advertised Request for Proposal No. 15-09-47, Third Party Claims Administration Services ("RFP"). The RFP was awarded by the City Commission on March 23, 2016 for three years, with 2 one-year renewal options to Gallagher Bassett Services, Inc. The initial term of the contract expires this coming April and staff recommends exercising the first one-year renewal option.

Risk management fees vary with the number of claims and the service needs required during the year. They are, in other words, "case load driven." For the contract period

2016-2019, Gallagher Bassett Services, Inc. agreed that these fees would not increase by more than 2% per year. Staff negotiated with the vendor for the 2019-2020 optional year of the contract and fees are estimated to be \$94,323, an increase of 1% on the expiring claim fee rates.

Temp. Reso. No. 6902
1/24/19
2/25/19

**CITY OF MIRAMAR
MIRAMAR, FLORIDA**

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF MIRAMAR, FLORIDA, AUTHORIZING THE CITY MANAGER TO RENEW THE AGREEMENT WITH GALLAGHER BASSETT SERVICES, INC., FOR THE PERIOD OF APRIL 1, 2019 TO MARCH 31, 2020, FOR THIRD PARTY ADMINISTRATION OF CLAIMS MANAGEMENT IN AREAS INCLUDING AUTOMOBILE LIABILITY, BODILY INJURY, PROPERTY DAMAGE, GENERAL LIABILITY INJURY AND PROPERTY DAMAGE, PROFESSIONAL LIABILITY AND WORKERS' COMPENSATION SERVICES FOR CITY EMPLOYEES; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City staff properly requested and reviewed the proposals for the City's Third Party Administration Services; and

WHEREAS, Gallagher Bassett Services, Inc. was awarded a three-year agreement, with two (2) one-year renewal options, effective April 1, 2016; and

WHEREAS, In the first three years, the fee for claims management support increased by 2% per year; and

WHEREAS, during the first optional renewal period, fees are estimated to be \$94,323, an increase of 1% on the expiring claim fee rates; and

Reso. No. _____

Temp. Reso. No. 6902
1/24/19
2/25/19

WHEREAS, the City Commission deems it to be in the best interest of the citizens and residents of Miramar to authorize the City Manager to renew the agreement with Gallagher Bassett Services, Inc., for one year for third party administration of claims management services for the period of April 1, 2019 to March 31, 2020.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF MIRAMAR, FLORIDA AS FOLLOWS:

Section 1: That the foregoing “**WHEREAS**” clauses are ratified and confirmed as being true and correct and are made a specific part of this Resolution.

Section 2: That the City Manager is authorized to renew the agreement with Gallagher Bassett Services, Inc., for third party administration of claims management services for the period of April 1, 2019 to March 31, 2020, at the fees outlined in the attached as Exhibit “A.”

Section 3: That the appropriate City Officials are authorized to do all things necessary and expedient to carry out the aims of this Resolution.

Temp. Reso. No. 6902
1/24/19
2/25/19

Section 4: That this Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED this _____ day of _____, _____.

Mayor, Wayne M. Messam

Vice Mayor, Yvette Colbourne

ATTEST:

City Clerk, Denise A. Gibbs

I HEREBY CERTIFY that I have approved
this RESOLUTION as to form:

City Attorney
Weiss Serota Helfman
Cole & Bierman, P. L.

Requested by Administration

Commissioner Winston F. Barnes
Commissioner Maxwell B. Chambers
Vice Mayor Yvette Colbourne
Commissioner Darline B. Riggs
Mayor Wayne M. Messam

Voted

Reso. No. _____

FEE PER CLAIM - LIFE OF PARTNERSHIP	Est. Claim Frequency	Per Claim Fee	Projected Service Fee
Workers' Compensation			
WC Medical Only	65	\$168	\$10,920
WC Indemnity (FL, NY, OH, TX)	30	\$1,255	\$37,650
Incidents - Workers' Compensation	5	\$28	\$140
Total Workers' Compensation Fee Per Claim	100		\$48,710
Liability			
Auto Liability/Bodily Injury	6	\$940	\$5,640
Auto Liability/Property Damage	10	\$447	\$4,470
Auto/Physical Damage	19	\$310	\$5,890
General Liability/Bodily Injury	10	\$940	\$9,400
General Liability/Property Damage	2	\$447	\$894
General Liability/Misconduct Liability	0	\$1,189	\$0
Professional Liability	6	\$1,189	\$7,134
Incidents - Liability	1	\$28	\$28
Total Liability Fee Per Claim	54		\$33,456
Property			
Property	1	\$835	\$835
Incidents - Property	0	\$28	\$0
Total Property Fee Per Claim	1		\$835
ADMINISTRATIVE SERVICES			
	Quantity	Rate	Estimated Annual Fee
Administrative Services			
Administration / Data Management			\$3,499
RMIS – 2 Users Full Access			Included
Total Administrative Services			\$3,499
CONSULTATIVE SERVICES			
	Est. Hours	Hourly Rate	Projected Service Fee
Consultative Services			
Safety Program Evaluation	1	\$7,823	\$7,823
Total Consultative Services			\$7,823
TOTAL			\$94,323

This is the first of a two year optional period with an increase of 1% on expiring claim rates for 2019-2020.

GBCARE MEDICAL MANAGEMENT SERVICES

SERVICES	CHARGES
Fee Schedule (Bill Review / UCR /System Savings)	\$9.50 Per Bill
All Other Savings <ul style="list-style-type: none"> • Clinical Validation/Nurse Review (CV) • Preferred Provider Networks (PPO) • Out Of Network (OON) • Specialty Networks/Physical Therapy (PT) 	30 % of Savings 30 % of Savings 35 % of Savings 30 % of Savings
Electronic Receipt of Medical Bills	\$2 additional Per Bill in all applicable states
Telephonic Case Management	\$75 Medical Triage \$290 per Indemnity claim (each 30 days) \$130 per Medical Only claim (one time)
Hospital Certification Program	\$120 Inpatient Pre-Certification
Utilization Review Program	\$105 Outpatient Pre-Certification
UR Physician Review	\$270 per Review
Medical Case Management and Vocational Rehabilitation - Hourly	\$98 per hour plus expenses \$112 per hour plus expenses - AK, CA, HI, NY
Priority Care 365	\$90 per call
Medical Cost Projection (MCP) and Clinical Recommendations	\$125 per Hour
Pharmacy Benefit Management (PBM)	Cost of prescriptions – no charge for Bill Review or PPO reductions for PBM transactions
Durable Medical Equipment (DME) Program	Cost of medical equipment – no charge for Bill Review or PPO reductions for Prospective DME transactions
Dental Review Program	Charged on a per review basis

Client and GB agree as follows: If a vendor other than the GBCARE Medical Management Services preferred vendor is utilized, an administrative fee may apply in exchange for bona fide administrative services. The administrative services may include, but not be limited to overhead costs for the oversight and management of medical management vendors which includes the development and oversight of quality standards, development and maintenance of EDI interfaces and reports, and ensuring proper mandatory state compliance and reporting.

OTHER SERVICES

SERVICES	CHARGES
RMIS - Additional Users	\$1,000 per user
Loss control	\$140 per hour
OSHA Reporting	\$4,500 per year (Includes set-up, OSHA access & unlimited OSHA Logs and summaries)
Fraud Prevention – Gallagher Bassett Investigative Services (GBIS)	
Special Fraud Investigations - SIU	\$85 per hour plus expenses
Outside Field Investigations	\$80 per hour plus expenses
Surveillance Investigations	\$80 per hour plus expenses
Targeted Field Investigations	\$80 per hour plus expenses
Targeted Database Searches	Rate per report
Self Service Database Searches	Rate per report
Gallagher Bassett Litigation Management Program (GBLMP)	
Invoice and Matter Management platform for adjusters/counsel	If utilized, 2% of net legal invoice (invoice net of disbursements and invoice review savings).
5 client licenses for Legal Analytics platform	Charged as discount off total payment remitted to counsel and will be reflected as an allocated expense on the claim file.
Attorney-led legal bill review	
Gallagher Bassett Compliance Solutions (GBCS)	
Workers' Compensation Medicare Set-Aside Allocation (WCMSA)	\$2,300 per allocation
Rush Fees (MSA completed within 5 business days)	\$450 per case
Liability Medicare Set-Aside Allocation (LMSA)	\$2,300 Fee
MSA Submission to CMS	\$850 Fee
Conditional Payment Research (CPR)	\$200 Flat Rate
Conditional Payment Negotiations (CPN)	\$375 Flat Rate
Secure Final Demand for Settlement (SFD)	\$250 Flat Rate
Bundled CP Resolution Services	\$700 Flat Rate
Medicare Eligibility Inquiry (MEI)	\$45 Flat Rate
SSDI Verification	\$175 Flat Rate
Release / Settlement Agreement Review	\$250 Flat Rate
Lien Resolution (Advantage Plan, Medicaid, Part D)	\$500 Flat Rate per Lien Resolution
Taxes	
Taxes	All applicable taxes will be added to the service fees where required

PROGRAM SPECIFIC TERMS AND CONDITIONS

1. Claim Count Reconciliation:

- Actual - Claims will be reconciled and billed monthly for the first 18 months and then at the 24th month and then every 12 months thereafter.

2. Billing and Payment Terms: Fees will be billed Monthly during the service period.

3. Claim Pricing Terms:

Life of Partnership:

Claims will be handled for the life of the partnership with no additional per claim fees. If you should decide to non-renew all or a portion of your program, the existing open files can be handled in one of the following two ways:

- GB would continue to handle the open files at our prevailing rate fees per year open file.
- GB would return the files to the client (contingent upon Carrier approval) at the client's expense.

Additional Charges:

There will be additional charges for ongoing Data Management (RISX-FACS®), RMIS users, Administration, Banking fees and monthly reports for as long as GB handles claims.

4. Account Administration includes the following:

- Account Management
- Detailed Status Reports All Lines of Business @ \$50,000
- Settlement Authority All Lines of Business @ \$25,000
- 4 Claim Review(s) - In Person Included
- Claim Reporting
- Loss Fund Account Mgmt/Banking Services (SIMMS)
- 2 RMIS User(s) - Full Access Included
- Acknowledgement Letter to Injured Employee WC
- Acknowledgement Letter to Claimant Liab
- Data Transfer to Carrier(s)

5. Claim Charges: Claim and incident fees will be assessed on a per occurrence, per claimant, per line of coverage basis.

6. This material is the proprietary, confidential property of Gallagher Bassett Services, Inc. It has been provided to you for the sole purpose of considering a quote for claims administration services. It is not to be duplicated or shared in any form with anyone other than the individuals of such prospective client that have a business need to know the information. It must be destroyed or returned to Gallagher Bassett Services, Inc. after its intended use.

7. Gallagher Bassett Services, Inc. will not pay a fee, commission, or rebate to any party for the privilege of presenting our proposal or in order to secure the awarding of any program to Gallagher Bassett Services, Inc.

8. Pricing is based on using GBCARE Medical Management Services preferred vendors for Bill Review, PPO, out-of-network, utilization review, telephonic case management, MSA and field case management.

GENERAL CONTRACT TERMS AND CONDITIONS

1. Independent Adjusters - If applicable, following any significant loss as a result of a single event (i.e., hurricane, tornado, flood, earthquake, etc.), GB reserves the right to retain outside resources (adjusters) when appropriate and those fees will be paid as an Allocated Expense off the file.
2. The pricing quoted in this Cost & Terms is based upon the data and information provided by Client, as well as existing legislative and regulatory requirements. Material inaccuracies or changes to the foregoing may require adjustments to the quoted pricing.
3. Taxes - All applicable taxes will be added to the service fees where required.
4. Allocated Expenses: Shall be your responsibility as applicable and shall include, but not be limited to:
 - Legal Fees
 - Legal Bill Review
 - Medical Examinations
 - Professional Photographs
 - Travel made at client's request
 - Costs for witness statements
 - Court reporter service, translation, and interpretation
 - Record retrieval and copying services (Including medical and legal)
 - Accident reconstruction
 - Experts' rehabilitation costs
 - Chemist
 - Fees for service of process
 - Collection cost payable to third parties on subrogation
 - Architects, contractors
 - Engineer
 - Any other similar cost, fee or expense reasonably chargeable to the investigation, negotiation, settlement or defense of a claim or loss which must have the explicit prior approval of the client
 - Police, fire, coroner, weather, or other such reports
 - Property damage appraisals
 - Vehicle appraisals (vehicle damage assessment)
 - SIU, surveillance and sub rosa investigation
 - Official documents and transcripts
 - Pre- and post-judgment interest paid
 - Outside Field Investigations
 - Subrogation at 15% of gross recovery
 - Index Bureau Reporting (All Coverages)
 - Second Injury Fund Recovery
 - Data Intelligence Self-Service Reports
 - Medical Management - Medical Management services may include, but are not limited to:
 - Preferred provider organization networks
 - Utilization review services
 - Automated state fee scheduling
 - Light duty/return-to-work programs
 - Medical case management and Vocational rehabilitation network
 - Prospective injury management services
 - Hospital bill audit services

DEFINITIONS

Incidents

An Incident is a loss reported electronically through ClaimLine and/or the Web, or set up manually at the branch. GB will review the Incident and make a courtesy call (if necessary) to determine if it is a claim or Incident. GB will have full discretion in the determination and handling of these Incidents and/or their conversion into claim status.

Workers' Compensation - Medical Only Claims

A medical only claim is a work-related Claim that meets the following criteria: (i) payments for either indemnity or vocational rehabilitation were not required, (ii) the Claim has not become contested or in suit, (iii) investigation to determine compensability or subrogation requirements was not required, (iv) no loss notices, captioned reports, client meetings (other than routine meetings where the claim is listed and noted) or settlement authority approvals were required, (v) payments on the Claim have not exceeded \$5000, and (vi) days open do not exceed 180 days.

Workers' Compensation - Indemnity Claims

An indemnity claim is a Workers' Compensation claim that is not a Medical Only Claim.

Auto Physical Damage (APD)

Investigate, evaluate and adjudicate all first-party claims which you report involving damage or loss of real or personal property. First-party claims will be managed and administered in accordance with our product guidelines.

Liability Claims

Investigate, evaluate and adjudicate all third-party claims for which you may be legally obligated. Third-party claims will be managed and administered in accordance with our product guidelines.

Property Claims

Investigate, evaluate and adjudicate all first-party claims which you report involving damage or loss of real or personal property. First-party claims will be managed and administered in accordance with our product guidelines.

For City Use Only.

☐ Certificate of Insurance Attached

**AGREEMENT
BETWEEN
CITY OF MIRAMAR
AND
GALLAGHER BASSETT SERVICES, INC
FOR
THIRD PARTY CLAIMS ADMINISTRATION SERVICES**

AGREEMENT
BETWEEN
THE CITY OF MIRAMAR
AND
GALLAGHER BASSETT SERVICES, INC.
FOR THIRD PARTY CLAIMS ADMINISTRATION SERVICES

This Agreement (the "Agreement") is entered into this 1st day of April, 2016, by and between the City of Miramar, Florida, a Florida municipal corporation, hereinafter referred to as "City",

AND

Gallagher Bassett Services, Inc., a Delaware Corporation, with its principal business office located at Two Pierce Place, Itasca, IL 60143, hereinafter referred to as "Contractor", and a sales office located at 2901 SW 149th Ave. Suite 200 Miramar, FL 33027.

WHEREAS, the City issued Request for Proposals No. 15-09-47 for Third Party Claims Administration Services (the "RFP") and the Contractor submitted a proposal in response to the RFP (the "Proposal"); and

WHEREAS, the Contractor was determined to be the highest evaluation scoring, responsive, responsible Proposer and whose Proposal was most advantageous to the City; and

WHEREAS, on March 23, 2016, the City Commission approved the award of the RFP and an agreement for Third Party Claims Administration Services to Contractor (Resolution No. 16-81).

NOW, THEREFORE, in consideration of the mutual terms and conditions, promises, and covenants hereinafter set forth, City and Contractor agree as follows:

SECTION 1
SCOPE OF SERVICES

Contractor agrees to provide the following Services to the City (the "Services") during the Term of this Agreement:

This Agreement is subject to, and Contractor shall provide Services in accordance with, the Scope of Services, terms, conditions and requirements of City

of Miramar Request for Proposals No. 15-09-47, the Contractor's Proposal as accepted by the City, including any subsequently negotiated changes to same, which documents or agreements are hereby incorporated by this reference. In the case of any conflict between the provisions of this Agreement, the RFP and the Proposal, the conflict shall be resolved in the following order of priority: terms of this Agreement; terms of the RFP; terms of the Proposal.

SECTION 2

COMPENSATION

In consideration for the Services to be provided by Contractor, the City agrees to pay Contractor as provided in the price schedule attached as Exhibit "A" (tab 8 of the Contractor's Proposal), which shall be payable on a monthly basis within 30 calendar days following submission of an invoice by the Contractor to the City. In the event of City's termination of this Agreement prior to the end of the Agreement Term pursuant to Sections 4 or 7, City shall pay Contractor on a pro-rata basis for the Services performed by Contractor prior to the City's termination of this Agreement.

SECTION 3

TERM OF AGREEMENT

The term of this Agreement shall commence on April 1, 2016 and shall continue for a period of three years, unless terminated earlier pursuant to Sections 4 or 7 of this Agreement, with two successive options to renew for one year each in the sole discretion of the City. The Chief Procurement Officer may authorize up to a 90 day extension of this Agreement in accordance with its terms and conditions; and the City Manager or his/her designee is authorized to extend this Agreement, for operational purposes only, for a maximum of 180 days.

SECTION 4

TERMINATION OF AGREEMENT

City may terminate this Agreement for convenience by giving the Contractor thirty (30) calendar days written notice. City may terminate this Agreement for cause by giving Contractor five (5) calendar days' written notice upon the failure of the Contractor to cure any default after being provided with written notice of that default and a demand for cure within ten (10) calendar days. The termination of this Agreement shall not relieve either party of any liability that accrued prior to such termination and any such accrued liability shall survive the termination of this Agreement.

Contractor may terminate this Agreement for cause by providing the City thirty (30) calendar days' written notice upon the failure of the City to cure City's failure to timely pay amounts owed to Contractor for services provided under this Agreement as required in Section 2.

SECTION 5

INDEPENDENT CONTRACTOR

Contractor is an independent contractor under this Agreement. Services provided by Contractor shall be by employees of Contractor and subject to supervision by Contractor, and not as officers, employees or agents of City. Personnel policies, tax responsibilities, social security, health insurance, employee benefits, travel, per diem policy, and purchasing policies under this Agreement shall be the sole responsibility of Contractor. Contractor shall have no rights under the City's worker's compensation, employment, insurance benefits or similar laws or benefits.

SECTION 6 **INDEMNIFICATION/HOLD HARMLESS CLAUSE**

Contractor shall indemnify, defend and hold harmless City, its officers, officials, agents, employees, and volunteers from and against any and all liability, suits, actions, damages, costs, losses and expenses, including attorneys' fees, demands and claims for personal injury, bodily injury, sickness, diseases or death or damage or destruction of tangible property or loss of use resulting therefrom, arising out of any errors, omissions, misconduct or negligent acts of Contractor, its respective officials, agents, employees or subcontractors in the Contractor's performance of Services pursuant to this Agreement.

SECTION 7 **NON-APPROPRIATION OF FUNDS**

In the event no funds or insufficient funds are appropriated and budgeted or are otherwise unavailable in any fiscal year for payments due under this Agreement, then the City, upon written notice to Contractor of such occurrence, shall have the unqualified right to terminate this Agreement without any penalty or expense to the City.

SECTION 8 **INSURANCE**

For programs that are active in nature, which shall be determined in the sole and exclusive discretion of the City, Contractor shall maintain liability insurance in an amount acceptable to the City's Risk Manager and naming the City of Miramar as an additional insured.

Contractor shall maintain the following required types and minimum limits of insurance coverage during the term of this Agreement:

	<u>Per Occurrence</u>	<u>Aggregate</u>
General Liability	\$1,000,000	\$2,000,000
Professional Liability	\$1,000,000	\$2,000,000
Workers' Compensation	Statutory Amount	

This Agreement shall not be deemed approved until the Contractor has obtained all insurance required under this section and has supplied the City with evidence of such coverage in the form of a Certificate of Insurance. The City shall approve such certificates prior to the performance of any Services pursuant to this Agreement.

ALL INSURANCE COMPANIES PROVIDED SHALL: Be rated at least A VII per Best's Key Rating Guide and be licensed to do business in Florida. Contractor's liability insurance policies shall add the City of Miramar as an additional insured, which may be achieved via a blanket additional insured endorsement and the status will be noted on the certificate of insurance. The Contractor's liability insurance shall be primary to any liability insurance policies that may be carried by the City. The Contractor shall be responsible for all deductibles and self-insured retentions on their liability insurance policies.

Contractor will provide the City with 30 days' notice in the event that any of Contractor's policies required to be maintained under this Agreement are cancelled or non-renewed. Contractor agrees that any cancelled or non-renewed policy will be replaced with no coverage gap, and a current certificate of insurance will be provided to the City.

SECTION 9 **MISCELLANEOUS**

Contractor shall, without additional expense to the City, be responsible for paying any taxes, obtaining any necessary licenses and for complying with all applicable federal, state, county, and municipal laws, ordinances and regulations in connection with the performance of the Services specified herein.

SECTION 10 **AUDIT AND INSPECTION RIGHTS**

10.1 The City may, at reasonable times and for a period of up to three years following the date of final performance of Services by Contractor under this Agreement, audit, or cause to be audited, those books and records of Contractor which are related to Contractor's performance under this Agreement. Contractor agrees to maintain all such books and records at its principal place of business for a period of three years after final payment is made under this Agreement.

10.2 The City may, at reasonable times during the term hereof, perform such inspections, as the City deems reasonably necessary to determine whether the Services required to be provided by Contractor under this Agreement conform to the terms of this Agreement. Contractor shall make available to the City all reasonable assistance to facilitate the performance of inspections by the City's representatives.

SECTION 11 **AMENDMENTS AND ASSIGNMENT**

11.1 This Agreement constitutes the entire agreement between Contractor and City and all negotiations and oral understandings between the parties are merged herein. The terms and conditions set forth in this Agreement supersede any and all previous agreements, promises, negotiations or representations. Any other agreements, promises, negotiations or representations not expressly set forth in this Agreement are of no force and effect.

11.2 No modification, amendment or alteration of the terms and conditions contained herein shall be effective unless contained in a written document executed with the same formality as this Agreement.

11.3 Contractor shall not transfer or assign the performance of Services called for in the Agreement without the prior written consent of the City, which may be withheld or conditioned in the City's sole discretion.

SECTION 12 **GOVERNING LAW AND VENUE**

This Agreement shall be construed in accordance with, and governed by, the laws of the State of Florida. Venue for any action arising out of or relating to this Agreement shall be in Broward County, Florida.

SECTION 13 **NOTICES**

Whenever either party desires to give notice to the other, it must be given by written notice, sent by certified United States mail, return receipt requested, addressed to the party for whom it is intended, at the place last specified in writing, and the place for giving of notice in compliance with the provisions of this paragraph. For the present, the parties designate the following as the respective places for giving of notice, to-wit:

FOR CONTRACTOR:

Attn: General Counsel
Gallagher Bassett Services, Inc.
Two Pierce Place Itasca, IL 60143

With a Copy to:

Attn: Chief Financial Officer
Gallagher Bassett Services, Inc.
Two Pierce Place Itasca, IL 60143

FOR CITY:

Kathleen Woods-Richardson
City Manager
City of Miramar

2300 Civic Center Place
Miramar, Florida 33025
Telephone: (954) 602-3115

With A Copy to: Jamie Alan Cole, Esq.
City Attorney
Weiss Serota Heitman Cole & Bierman, P.L.
200 East Broward Boulevard, Suite 1900
Fort Lauderdale, Florida 33301
Telephone: 954- 763-4242

SECTION 14 **NON-DISCRIMINATION**

Contractor represents and warrants to the City that Contractor does not and will not engage in discriminatory practices and that there shall be no discrimination in connection with Contractor's performance under this Agreement on account of race, age, religion, color, gender, sexual orientation, national origin, marital status, physical or mental disability, political affiliation or any other factor which cannot be lawfully used as a basis for delivery of Services. Contractor further covenants that no otherwise qualified individual shall, solely by reason of his/her race, age, religion, color, gender, sexual orientation, national origin, marital status, physical or mental disability, political affiliation or any other factor which cannot be lawfully used as a basis for delivery of Services, be excluded from participation in, be denied Services, or be subject to discrimination under any provision of this Agreement.

SECTION 15 **PUBLIC RECORDS**

Contractor agrees to keep and maintain public records in Contractor's possession or control in connection with Contractor's performance under this Agreement. Contractor additionally agrees to comply specifically with the provisions of Section 119.0701, Florida Statutes.

Contractor shall comply with The Florida Public Records Act as follows:

1. Keep and maintain public records required by the City to perform the service.
2. Upon request by City's custodian of public records, provide the City with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law.
3. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the Agreement term.
4. Upon completion of the Agreement or in the event of termination by either party, any and all public records relating to the Agreement in the possession

of Contractor shall be delivered by Contractor to City, at no cost to the City, within seven (7) days. All such records stored electronically by Contractor shall be delivered to the City in a format that is compatible with the City's information technology systems. Once the public records have been delivered upon completion or termination of this Agreement, Contractor shall destroy any and all duplicate public records that are exempt or confidential and exempt from public records disclosure requirements.

5. Contractor's failure or refusal to comply with the provisions of this section shall result in the immediate termination of this Agreement by City.

IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT 954-602-3012, pmwallace@miramarfl.gov or by mail: Records Coordinator, City Clerk's Office, City of Miramar, 2300 Civic Center Place, Miramar, FL 33025.

Notwithstanding the above, and in accordance with applicable law, all or part of the deliverables may contain proprietary technology, information, works of authorship or products that have not been created specifically for City or in connection with Contractor's performance under this Agreement, including without limitation, software, methodologies, tools, specifications, drawings, sketches, models, samples, as well as copyrights, trademarks, service marks, inventions, know-how, techniques or data, which have been originated, developed or purchased by Contractor or by third parties under contract to Contractor (all of the foregoing, collectively, "Pre-existing Materials"). To the extent permissible under applicable law, Pre-existing Materials shall be the sole property of Contractor (or its licensor) and shall be deemed not to be deliverables under this Agreement and Contractor (or its licensor) will at all times retain sole and exclusive title to and ownership to the Pre-existing Materials. Notwithstanding the foregoing, should Pre-existing Materials form a part of the deliverables, Contractor grants to City a non-exclusive, worldwide, transferable, perpetual, irrevocable, royalty-free license to make, use, reproduce, display and create derivative works of the deliverable in which Pre-existing Materials are incorporated.

SECTION 16 **BANKING-SIMMS**

Contractor shall assist City in establishing a loss fund account with Citibank (or other institution at Contractor's discretion), and City shall fund, or cause its carrier to fund, such account. The account's cash management program will deal directly with the funding program of City's banking facility. Contractor shall assist City in establishing the initial imprest/opening balance of the fund, which shall remain at the established level currently place on the effective date of this Agreement. In addition, Contractor shall

analyze the account from time to time and shall submit advisory reports, including any excess or deficiencies to imprest/opening balance. As a result of the advisories, the City agrees to fund any imprest increase within 30 days of notification. Changes to the frequency of funding and/or imprest/opening balance shall require the execution of a new Account Parameter Agreement. City shall maintain the required imprest balance during the term of this Agreement.

In the event of cancellation or nonrenewal of this Agreement, City agrees to fund Citibank in an amount sufficient to fund all of City's outstanding obligations as they become due.

If, at any time, City or its carrier fails to provide adequate funding, Contractor may issue "stop payment" orders on outstanding payments. Contractor has no obligation to provide any of its own funds to pay City's obligations. Any bank charges resulting from inadequate funding including, but not limited to, interest, stop payment charges and overdraft fees shall be the obligations of City and shall be paid by City upon demand by Contractor. If City or its carrier on more than one occasion fails to provide adequate funding, Contractor shall have the right to convert City's program to either daily clearance or voucher upon 48 hours written notice to City. This right shall be without prejudice to other rights of Contractor under this Agreement.

SECTION 17

HEADINGS, CONFLICT OF PROVISIONS,

WAIVER OR BREACH OF PROVISIONS

Headings are for convenience of reference only and shall not be considered in any interpretation of this Agreement. In the event of conflict between the terms of this Agreement and any terms or conditions contained in any attached documents, the terms in this Agreement shall prevail. No waiver or breach of any provision of this Agreement shall constitute a waiver of any subsequent breach of the same or any other provision, and no waiver shall be effective unless made in writing.

SECTION 18

SEVERABILITY

If any provision of this Agreement or the application thereof to any person or situation shall to any extent be held invalid or unenforceable, the remainder of this Agreement, and the application of such provisions to persons or situations other than those as to which it shall have been held invalid or unenforceable shall not be affected thereby, and shall continue in full force and effect, and be enforced to the fullest extent permitted by law.

SECTION 19

SURVIVAL

All representations and other relevant provisions herein shall survive and continue in full force and effect upon termination of this Agreement.

SECTION 20
SCHIP

- 20.1 **CMS.** The Centers for Medicare and Medicaid Services under MMSEA.
 MIR. Mandatory Insurer Reporting under MMSEA
 MMSEA. Medicare, Medicaid, and SCHIP (State Children's Health Insurance Program) Extension Act of 2007 (P.L. 110-173).

20.2 Contractor shall assist the City with its MIR obligations. City acknowledges and agrees that City or City's Insurance carrier has an obligation to perform MIR as set forth in Section 111 of the MMSEA. MMSEA provided for mandatory reporting requirements for group health plan arrangements and for liability insurance (including self-insurance), no-fault health plan arrangements and for liability insurance (including self-insurance), no-fault insurance, and workers' compensation (see 42 U.S.C. 1395y(b)(7) & (8)). City agrees to properly register (or, as appropriate, to cause its insurance carrier to properly register) with CMS as the RRE and provide to Contractor all relevant information including the RRE Identifications Number(s) assigned, and properly designated MIR reporting agent acceptable to Contractor. City agrees that for each and every claim reported to Contractor in which City possesses the information, City shall provide the following information as soon as required to comply with applicable law and avoid fines and penalties; claimant's first and last name, social security number, date of birth and gender.

SECTION 21
ENTIRE AGREEMENT

This Agreement represents the entire and integrated Agreement between the City and Contractor and supersedes all prior negotiations, representations or agreements, either written or oral.

SECTION 22
JOINT PREPARATION

The parties acknowledge that they have sought and received whatever competent advice and counsel as was necessary for them to form a full and complete understanding of all rights and obligations herein, and that the preparation of this Agreement has been a joint effort of the parties, the language has been agreed to by parties to express their mutual intent and the resulting document shall not, solely as a matter of judicial construction, be construed more severely against one of the parties than the other.

SECTION 23
OBLIGATIONS FOLLOWING TERMINATION/NONRENEWAL

In the event of termination or nonrenewal of this Agreement, and if the City and the Contractor do not mutually agree to the Contractor continuing to manage all pending run-off claims and run-off claims incurred during the Term but not reported prior to the date of termination or expiration, Contractor shall transfer all files to the City or a third party as directed by the City. If the City elects to have all files returned to the City or transmitted to another party, City agrees to reimburse Contractor for all payments made and subsequently paid out of the loss fund account on behalf of the City, prior to returning the files to the City or transferring them to another party. Contractor will provide electronic and paper copies of the claims information in RISX-FACS® pursuant to applicable law. Upon delivery of this information to City or a third party as directed by the City, claims information may be deleted from the Contractor's system.

In the event of termination or nonrenewal of this Agreement, upon the mutual written agreement of Contractor and City, Contractor shall continue to manage all pending run-off claims, and run-off claims incurred during the Term but not reported prior to the date of termination or expiration, solely provided that City pays Contractor a mutually agreed upon amount per claim per year open fee to continue handling open claims. If run-off services are provided by Contractor, the services will be provided at a claims servicing branch selected by Contractor, and a reduced electronic RISX-FACS® reporting package will be provided at the City's expense. Banking and administration fees will be charged to the City as long as Contractor handles the claims.

Should City renew only a portion of the existing program under this Agreement (fewer states, locations, coverages, etc.), all open claims not part of the renewed portions of the program may, upon mutual agreement by City and Contractor, be considered in run-off and subject to per claim per year open fees to be agreed upon by the parties. A reduced electronic RISX-FACS® reporting package will be provided, as appropriate. Banking and administration fees will be charged to the City as long as Contractor handles the claims. Should no agreement be reached regarding these open claims, they will be returned to the City or forwarded to another party as directed by the City.

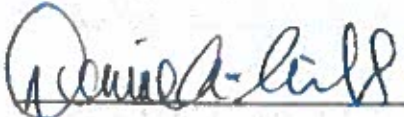
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IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement on the respective dates under each signature: City, signing by and through its City Manager, attested to and duly authorized to execute same by the City Commission of the City of Miramar and by the Contractor, by and through its _____, attested to and duly authorized to execute same.

CITY

ATTEST:

CITY OF MIRAMAR



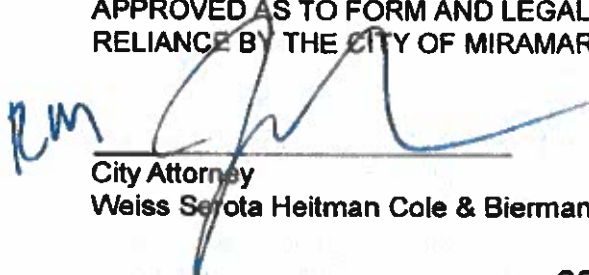
Denise Gibbs, City Clerk

By: 

Kathleen Woods-Richardson, City Manager

This 1 day of March, 2017

APPROVED AS TO FORM AND LEGAL SUFFICIENCY FOR THE USE OF AND RELIANCE BY THE CITY OF MIRAMAR ONLY.



City Attorney
Weiss Serota Heitman Cole & Bierman, P.L.


CONTRACTOR

WITNESSES:

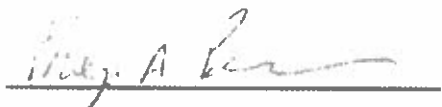
GALLAGHER BASSETT SERVICES, INC.



Print: Mohsin Khumbati

By: 

Print: LIZ STAREWAL



Print: Philip A Proctor

Date: 1-9-17

PRICE SCHEDULE

OPTION# 2: LIFE OF CONTRACT – PER CLAIM FLAT FEE

Service	Per Claimant Fee	Life of Partnership
Workers Compensation		
Medical Only	\$160	
Indemnity	\$1195	
Total Workers' Compensation		
Liability		
General Bodily Injury	\$895	
General Property Damage	\$425	
Auto Bodily Injury	\$895	
Auto Property Damage	\$425	
Auto Physical Damage	\$295	
Professional Liability	\$1,131	
Sexual Misconduct	\$1,131	
Property	\$795	
Total Liability		
Ancillary Services		
Administration	\$2,841	
Data Management	Included	
Account Management (Designated)	Included	
Banking/SIMMS Fee	\$1,338	
Claim Reporting - Web or e-Fax	Included	
Medicare Reporting Cost	Included	
Electronic Incidents-Notice of Injury	\$26	
Voucher	N/A	
Loss Funding	N/A	
Loss Notice Program Rpt. Level \$ 50,000	Included	
Detailed Status Rpts Rpt. Level \$ 50,000	Included	
Meetings	Included	
Total Ancillary Services		
Data Conversion Fee		
Electronic transfer of all claim and detailed data.	N/A	
Physical file reconciliation to master loss run report.	N/A	
Claim review from Notice of Injury to most current information.	N/A	

Service	Per Claimant Fee	Life of Partnership
Overall reconciliation to transferred date	N/A	
Receipt and storage of all open claims files	N/A	
Data Mapping	N/A	
Data conversion	N/A	
Data reconciliation	N/A	
Physical file audit	N/A	
Physical file reconciliation	N/A	
Total Data Conversion Fee	N/A	
Other Fee in addition to Option 1 or 2		
System Access for two users	Included	
Risk Control Consulting Services-State # of Hrs	\$7,823	
Loss Control -State # of Hrs		
Custom/Ad hoc reports	No charge	
Subrogation and /or liens fee percentage	15%	
Bill Review fee to include State fee schedule reduction	\$9.50 per bill	
Electronic Data Interchange filed with State of Florida	Included	
Percentage of Utilization Review and Reasonable & Customary Savings	\$9.50 per bill	
Settlement Authority \$ 5,000	Included	
Client education	Included	
Self-Insurance Qualifications	Included	
Managed Care (Paid off File)	See cost and terms	
Acknowledges	Included	
Information Technology Services		
Standard Loss run reports	Included	
Custom/Ad hoc reports	Included	
Standard loss run reports include but are not limited to the following:	Included	
Claims alpha listing report	Included	
Disbursement report	Included	
Register by location report	Included	
Detail loss run by claimant name report	Included	
Detail loss run – total pages only report	Included	
Loss listing report	Included	
Payment check register report	Included	
Potential recovery report	Included	

Service	Per Claimant Fee	Life of Partnership
Summary sheet – all claims open or closed by fiscal year report	Included	
Total:		
Grand Total:	\$117,592	

THIS IS AN OPTION#2: LIFE OF CONTRACT – PER CLAIM FLAT FEE

GB MANAGED CARE SERVICES

SERVICES	CHARGES
Fee Schedule (Bill Review / UCR)	\$ 9.50 per bill
All Other Savings <ul style="list-style-type: none"> Enhanced Bill Review /Clinical Edits (ESS) Clinical Validation/Nurse Review (CV) Preferred Provider Networks (PPO) Out Of Network (OON) Specialty Networks/ Physical Therapy (PT) 	No Charge 30 % of Savings 30 % of Savings 35 % of Savings 30 % of Savings
Electronic Receipt of Medical Bills	\$2 additional per bill in all applicable states
Telephonic Case Management	\$75 Medical Triage \$290 per Indemnity claim (each 30 days) \$130 per Medical Only claim (one time)
Hospital Certification Program	\$120 Inpatient Pre-Certification
Utilization Review Program	\$105 Outpatient Pre-Certification
UR Physician Review	\$270 per Review
Task Based Field Case Management <ul style="list-style-type: none"> Task 1: One Visit Task Task 2: Two Visit Task Task 3: Labor Market Survey Task 4: Vocational Assessment Task 5: Home Visit 	\$530 per assignment \$705 per assignment \$635 per assignment \$590 per assignment \$660 (\$730 in CA) per assignment
Medical Case Management and Vocational Rehabilitation – Hourly	\$92 per hour plus expenses \$103 per hour – AK, CA, HI, NY
Priority Care 365	\$90 per call
Medical Cost Projection (MCP) and Clinical Recommendations	\$125 per hour
Pharmacy Benefit Management (PBM)- First Script	Cost of prescriptions- no charge for Bill Review or PPO reductions for PBM transactions
Rx Peer to Peer Review (P2P)	\$290 per review
Rx Drug Utilization Assessment (DUA)	\$575 per DUA
Return to Work Coordinator (Injury Coordinator)	Coordinator available- additional fee

OTHER SERVICES

SERVICES	CHARGES
risxfacs.com - Additional Users	\$1,000 per user
GB International Claims Services	Varies by Country (pricing provided upon request)
Consultative Services	
Loss Control Consulting Services	\$140 per hour
Appraisal Services	TBD
MountainView ClaimZone RMIS Module	TBD
Fraud Prevention – Gallagher Bassett Investigative Services (GBIS)	
Special Fraud Investigations - SIU	\$85 per hour plus expenses
Surveillance Investigations	\$70 per hour plus expenses
Targeted Field Investigations	\$80 per hour plus expenses
Targeted Database Investigations	Rate per report
MedInsights MSA/MSP Compliance Services	
<i>(This pricing is for MedInsights services only. If another vendor is selected, then other pricing applies)</i>	
Social Security Verification (Entitlement Determination)	\$175.00 per verification
Medicare Lien Evaluation	
Conditional Payment Search	\$250 per search
Manual Medicare Eligibility Inquiry (Rush Request)	\$35
Conditional Payment Lien Negotiations	\$150 per hour
Medical Cost Projection	\$125 per hour
MSA Resolution Unit Service	\$450 Fee
Pharmaceutical Drug Review	\$450 per review (If PDR doesn't prove to reduce lifetime costs by \$5,000 the fee reduced to \$35)
Medicare Set-Asides	
Workers Compensation Medicare Set-Aside Allocation (WCMSA)	\$2,300 per allocation
Rush Fees (MSA completed within 7 days)	\$450 per case
Revisions:	\$150 per hour (One free revision within six months of submission)
Liability Medicare Set-Aside Allocation (LMSA)	\$1,535 Fee
MSA Submission to CMS	\$850 Fee
Taxes	
	All applicable taxes will be added to the service fees where required