



BOARD OF SUPERVISORS AGENDA ITEM REPORT AWARDS / CONTRACTS / GRANTS

☐ Award ☒ Contract ☐ Grant

Requested Board Meeting Date: 11/01/2022

* = Mandatory, information must be provided

or Procurement Director Award: ☐

***Contractor/Vendor Name/Grantor (DBA):**

Alliant Insurance Services, Inc. (Headquarters: Irvine, CA)

***Project Title/Description:**

Insurance Broker Services

***Purpose:**

Award: Master Agreement No. MA-PO-23-036. This Master Agreement is for an initial term of one (1) year in the annual award amount of \$5,425,000.00 and includes four (4) one-year renewal options.

Administering Department: Finance and Risk Management.

***Procurement Method:**

Pursuant to Pima County Procurement Code 11.12.020, Competitive sealed proposals, Solicitation No. RFP-PO-2200022 was conducted. Two (2) responses were received. Award is to the responsive and responsible respondent submitting the highest scoring proposal.

PRCUID: 445069

Attachment: Notice of Recommendation for Award and Professional Services Contract.

***Program Goals/Predicted Outcomes:**

To establish and maintain an Insurance Broker of Record to solicit and place the most beneficial and cost effective insurance coverage and to provide various consulting services to the Division of Risk Management.

***Public Benefit:**

Protects the County, its employees and citizens by reducing costs of unknown catastrophic losses.

***Metrics Available to Measure Performance:**

Contractor's compliance with various deadlines specified in the contract and administrators satisfaction with Contractor's performance.

***Retroactive:**

No.

TD: COB⁽¹¹⁾ 10-18-22
Vers: 1
pgs. 15

THE APPLICABLE SECTION(S) BELOW MUST BE COMPLETED

Click or tap the boxes to enter text. If not applicable, indicate "N/A". Make sure to complete mandatory (*) fields

Contract / Award Information

Document Type: MA Department Code: PO Contract Number (i.e., 15-123): 23-036
 Commencement Date: 11/01/2022 Termination Date: 10/31/2023 Prior Contract Number (Synergen/CMS): _____
☒ Expense Amount \$ 5,425,000.00 * ☐ Revenue Amount: \$ _____

***Funding Source(s) required: Risk Management Ops**

Funding from General Fund? ☐ Yes ☒ No If Yes \$ _____ % _____

Contract is fully or partially funded with Federal Funds? ☐ Yes ☒ No

If Yes, is the Contract to a vendor or subrecipient? _____

Were insurance or indemnity clauses modified? ☐ Yes ☒ No

If Yes, attach Risk's approval.

Vendor is using a Social Security Number? ☐ Yes ☒ No

If Yes, attach the required form per Administrative Procedure 22-10.

Amendment / Revised Award Information

Document Type: _____ Department Code: _____ Contract Number (i.e., 15-123): _____

Amendment No.: _____ AMS Version No.: _____

Commencement Date: _____ New Termination Date: _____

Prior Contract No. (Synergen/CMS): _____

☐ Expense ☐ Revenue ☐ Increase ☐ Decrease

Amount This Amendment: \$ _____

Is there revenue included? ☐ Yes ☐ No If Yes \$ _____

***Funding Source(s) required: _____**

Funding from General Fund? ☐ Yes ☐ No If Yes \$ _____ % _____

Grant/Amendment Information (for grants acceptance and awards)

☐ Award ☐ Amendment

Document Type: _____ Department Code: _____ Grant Number (i.e., 15-123): _____

Commencement Date: _____ Termination Date: _____ Amendment Number: _____

☐ Match Amount: \$ _____ ☐ Revenue Amount: \$ _____

***All Funding Source(s) required: _____**

*Match funding from General Fund? ☐ Yes ☐ No If Yes \$ _____ % _____

*Match funding from other sources? ☐ Yes ☐ No If Yes \$ _____ % _____

*Funding Source: _____

*If Federal funds are received, is funding coming directly from the Federal government or passed through other organization(s)?

Contact: Procurement Officer: Kelsey Braun-Shirley Digitally signed by Kelsey Braun-Shirley
Date: 2022.10.10 09:13:47 -07'00' Division Manager: Ana Wilber Digitally signed by Ana Wilber
Date: 2022.10.10 13:29:25 -07'00'

Department: Procurement Director: Terri Spencer Digitally signed by Terri Spencer
Date: 2022.10.10 13:58:24 -07'00' Telephone: (520) 724-7466

Department Director Signature: Ellen Moulton

Digitally signed by Ellen Moulton
Date: 2022.10.10 18:25:02 -07'00'

Date: _____

Deputy County Administrator Signature: _____

Date: 10/17/22

County Administrator Signature: _____

Date: 10/11/2022



NOTICE OF RECOMMENDATION FOR AWARD

Date of Issue: October 11, 2022

The Procurement Department hereby issues formal notice to respondents to Solicitation No. RFP-PO-2200022 for Insurance Broker Services that the following listed respondent will be recommended for award as indicated below. The award action is scheduled to be performed by the Board of Supervisors on or after November 1, 2022.

Award is recommended to the highest scoring proposal.

AWARDEE NAME

Alliant Insurance Services, Inc.

ANNUAL AWARD AMOUNT

\$5,425,000.00

OTHER RESPONDENT NAMES

Willis Towers Watson Insurance Services West, Inc.

Issued by: Kelsey Braun-Shirley, Procurement Officer

Telephone Number: (520) 724-7466

This notice is in compliance with Pima County Procurement Code §11.12.020(C) and §11.20.010(C).

Copy to: Pima County SBE via e-mail at SBE@pima.gov.

A handwritten signature in black ink, appearing to be "KBS", located in the bottom right corner of the document.

Pima County Department of Finance and Risk Management

Project: Insurance Broker Services

Contractor: Alliant Insurance Services, Inc.
18100 Von Karman Ave 10th Floor
Irvine, CA 92612

Amount: \$5,425,000.00

Contract No.: MA-PO-23-036

Funding: Risk Management Fund

PROFESSIONAL SERVICES CONTRACT

1. Parties, Background and Purpose.

- 1.1. Parties. This Contract is between Pima County, a body politic and corporate of the State of Arizona ("County"), and Alliant Insurance Services, Inc. ("Contractor").
- 1.2. Purpose. The Pima County Department of Finance and Risk Management requires an insurance broker of record to solicit and place the most beneficial and cost effective insurance coverage to protect the County by reducing costs of unknown catastrophic losses.
- 1.3. Authority. County selected Contractor pursuant to and consistent with County's Procurement Code 11.12.020 Competitive Sealed Proposals;
- 1.4. Solicitation and Other Documents. County previously issued Solicitation No. RFP-PO-2200022 for certain services (the "Solicitation"). Requirements and specifications contained in the Solicitation, all documents included in the Solicitation, and any information and documentation submitted by Contractor in response to the Solicitation, are incorporated into this Contract by reference.
- 1.5. Contractor's Response. Contractor submitted the most advantageous response to the Solicitation.

2. Term.

- 2.1. Initial Term. The term of this Contract commences on November 1, 2022 and will terminate on October 31, 2023 ("Initial Term"). "Term," when used in this Contract, means the Initial Term plus any exercised extension options under Section 2.2. If the commencement date of the Initial Term is before the signature date of the last party to execute this Contract, the parties will, for all purposes, deem the Contract to have been in effect as of the commencement date.
- 2.2. Extension Options. County may renew this Contract for up to four (4) additional periods of up to 1 year each (each an "Extension Option"). An Extension Option will be effective only upon execution by the Parties of a formal written amendment.

3. Scope of Services. Contractor will provide County with the services described in **Exhibit A: Scope of Services** (4 pages) upon demand. The Services must comply with all requirements and specifications in the Solicitation.

4. Key Personnel. Contractor will employ suitably trained and skilled professional personnel to perform all consultant services under this Contract. Prior to changing any key personnel, especially those key personnel County relied upon in making this Contract, Contractor will obtain the approval of County. The key personnel include the following staff:

Name: <u>Shawn Kraatz</u>	Title: <u>Lead Broker</u>
Name: <u>Pamela Dominguez</u>	Title: <u>Co-Lead Broker</u>
Name: <u>Patricia Moore</u>	Title: <u>Stop Loss Broker/Client Executive</u>

5. Compensation and Payment.

- 5.1. Rates; Adjustment. County will pay Contractor at the rates set forth in **Exhibit B: Compensation & Payment** (1 page). Those rates will remain in effect during an Extension Option period unless Contractor, at least 90 days before the end of the then-existing Term, or at the time the County informs Contractor that the County intends to extend the Term, if that is earlier, notifies County in writing of any adjustments to those rates, and the reasons for the adjustments.
- 5.2. Not-to-Exceed (NTE) Amount. County's total payments to Contractor under this Contract, including any sales taxes, may not exceed \$5,425,000.00 per year, including premium amounts (the "NTE Amount"). The NTE Amount can only be changed by a formal written amendment executed by the Parties. Contractor is not required to provide any services, payment for which will cause the County's total payments under this Contract to exceed the NTE Amount; if Contractor does so, it is at the Contractor's own risk.
- 5.3. Sales Taxes. The payment amounts or rates in **Exhibit B** do not include sales taxes. Contractor may invoice County for sales taxes that Contractor is required to pay under this Contract. Contractor will show sales taxes as a separate line item on invoices.
- 5.4. Timing of Invoices. Contractor will invoice County on a monthly basis unless a different billing period is set forth in **Exhibit B**. County must receive invoices no more than 30 days after the end of the billing period in which Contractor delivered the invoiced products or services to County. County may refuse to pay for any product or service for which Contractor does not timely invoice the County and, pursuant to A.R.S. § 11-622(C), will not pay for any product or service invoiced more than 6-months late.
- 5.5. Content of Invoices. Contractor will include detailed documentation in support of its invoices and assign each amount billed to an appropriate line item.
- 5.6. Invoice Submittal. Invoices are to be sent to:

Pima County Finance & Risk Management – Accounts Payable
P.O. Box 791
Tucson, AZ 85701
- 5.7. Invoice Adjustments. County may, at any time during the Term and during the retention period set forth in Section 23 below, question any payment under this Contract. If County raises a question about the propriety of a past payment, Contractor will cooperate with County in reviewing the payment. County may set-off any overpayment against amounts due to Contractor under this or any other contract between County and Contractor. Contractor will promptly pay to County any overpayment that County cannot recover by set-off.

6. Insurance. Contractor will procure and maintain at its own expense insurance policies (the "**Required Insurance**") satisfying the below requirements (the "**Insurance Requirements**") until all of its obligations under this Contract have been met. The below Insurance Requirements are minimum requirements for this Contract and in no way limit Contractor's indemnity obligations under this Contract. The County in no way warrants that the required insurance is sufficient to protect the Contractor for liabilities that may arise from or relate to this Contract. If necessary, Contractor may obtain commercial umbrella or excess insurance to satisfy the Insurance Requirements.

- 6.1. Insurance Coverages and Limits. The Insurance Requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. Coverage must be placed with insurers acceptable to the County with A.M. Best rating of not less than A-VII, unless otherwise approved by the County.
 - 6.1.1. Commercial General Liability (CGL). Occurrence Form with limits not less than \$2,000,000 Each Occurrence and \$2,000,000 General Aggregate. Policy shall include bodily injury, property damage, personal/advertising injury and products-completed operations.

- 6.1.2. Business Automobile Liability. Bodily injury and property damage for any owned, hired, and/or non-owned automobiles used in the performance of this Contract with a Combined Single Limit (CSL) of \$1,000,000 Each Accident.
- 6.1.3. Workers' Compensation and Employers' Liability. Arizona Statutory requirements and Employer's Liability coverage with policy limits of \$1,000,000 each accident and each person-disease.
- 6.1.4. Professional Liability (E&O Insurance). This insurance is required by Pima County when Professional Liability or any other E&O coverage is excluded from the Contractor's CGL policy. The E&O policy limits shall be not less than \$2,000,000 Each Claim and \$2,000,000 Annual Aggregate. The insurance policy shall cover professional misconduct or negligent acts of anyone performing any services under this contract.
- 6.1.5. Network Security (Cyber)/Privacy Insurance. Coverage shall have minimum limits not less than \$2,000,000 Each Claim with a \$2,000,000 Annual Aggregate. The insurance shall include, but not be limited to, coverage for third party claims and losses with respect to network risks (such as data breaches, unauthorized access or use, ID theft, theft of data) and invasion of privacy regardless of the type of media involved in the loss of private information, crisis management and identity theft response costs. This should also include breach notification costs, credit remediation and credit monitoring, defense and claims expenses, regulatory defense costs plus fines and penalties, cyber extortion, computer program and electronic data restoration expenses coverage (data asset protection), network business interruption, computer fraud coverage, and funds transfer loss.
- 6.2. Additional Insurance Requirements. The policies shall include, or be endorsed to include, as required by this written agreement, the following provisions.
- 6.2.1. Claims Made Coverage. If any part of the Required Insurance is written on a claims-made basis, any policy retroactive date must precede the effective date of this Contract, and Contractor must maintain such coverage for a period of not less than three (3) years following Contract expiration, termination or cancellation.
- 6.2.2. Additional Insured Endorsement. The General Liability, Business Automobile Liability Policies shall each be endorsed to include County, its departments, districts, boards, commissions, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.
- 6.2.3. Subrogation Endorsement. The General Liability, Business Automobile Liability and Workers' Compensation Policies shall each contain a waiver of subrogation endorsement in favor of County, and its departments, districts, boards, commissions, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
- 6.2.4. Primary Insurance Endorsement. The Contractor's policies shall stipulate that the insurance afforded the Contractor shall be primary and that any insurance carried by Pima County, its agents, officials, or employees shall be excess and not contributory insurance.
- 6.2.5. Subcontractors. Contractor must either (a) include all subcontractors as additional insureds under its Required Insurance policies, or (b) require each subcontractor to separately meet all Insurance Requirements and verify that each subcontractor has done so, Contractor must furnish, if requested by County, appropriate insurance certificates for each subcontractor. Contractor must obtain County's approval of any subcontractor request to modify the Insurance Requirements as to that subcontractor.
- 6.3. Notice of Cancellation. Each Required Insurance policy must provide, and certificates specify, that County will receive not less than 30 days advance written notice of any policy cancellation, except 10-days prior notice is sufficient when the cancellation is for non-payment of a premium.

6.4. Verification of Coverage.

- 6.4.1. Contractor must furnish County with certificates of insurance as required by this Contract. An authorized representative of the insurer shall sign the certificates.
- 6.4.2. All certificates and endorsements, as required by this written agreement, are to be received and approved by County before work commences. Each insurance policy required by this Contract must be in effect at, or prior to, commencement of work under this Contract. Failure to maintain the insurance coverages or policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.
- 6.4.3. All certificates required by this Contract shall be sent directly to the appropriate County department. The Certificate of Insurance shall include the Pima County project or contract number and project description on the certificate. Pima County reserves the right to require complete copies of all insurance policies required by this Contract at any time.
- 6.4.4. Neither the County's failure to obtain a required insurance certificate or endorsement, the County's failure to object to a non-complying insurance certificate or endorsement, or the County's receipt of any other information from the Contractor, is insurance broker(s) and/or insurer(s), constitutes a waiver of any of the Insurance Requirements.

6.5. Approval and Modifications. County's Risk Manager may approve a modification to the Insurance Requirements without the necessity of a formal Contract amendment, but the approval must be in writing.

7. Indemnification. To the fullest extent permitted by law, Contractor will defend, indemnify, and hold harmless County and any related taxing district, and the officials and employees of each of them (collectively, "Indemnatee") from and against any and all claims, actions, liabilities, losses, and expenses (including reasonable attorney fees) (collectively, "Claims") arising out of actual or alleged injury of any person (including death) or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by any act or omission of Contractor or any of Contractor's directors, officers, agents, employees, volunteers, or subcontractors. This indemnity includes any claim or amount arising or recovered under the Workers' Compensation Law or arising out of the failure of Contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. The Indemnatee will, in all instances, except for Claims arising solely from the acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all Claims. Contractor is responsible for primary loss investigation, defense and judgment costs for any Claim to which this indemnity applies. This indemnity will survive the expiration or termination of this Contract.

8. Laws and Regulations.

- 8.1. Compliance with Laws. Contractor will comply with all federal, state, and local laws, rules, regulations, standards and Executive Orders.
- 8.2. Licensing. Contractor warrants that it is appropriately licensed to provide the services under this Contract and that its subcontractors will be appropriately licensed.
- 8.3. Choice of Law; Venue. The laws and regulations of the State of Arizona govern the rights and obligations of the parties under this Contract. Any action relating to this Contract must be filed and maintained in the appropriate court of the State of Arizona in Pima County.

9. Independent Contractor. Contractor is an independent contractor. Neither Contractor, nor any of Contractor's officers, agents or employees will be considered an employee of County for any purpose or be entitled to receive any employment-related benefits, or assert any protections, under County's Merit System. Contractor is responsible for paying all federal, state and local taxes on the compensation received by Contractor under this Contract and will indemnify and hold County harmless from any and all liability that County may incur because of Contractor's failure to pay such taxes.

- 10. Subcontractors.** Contractor is fully responsible for all acts and omissions of any subcontractor, and of persons directly or indirectly employed by any subcontractor, and of persons for whose acts any of them may be liable, to the same extent that the Contractor is responsible for the acts and omissions of its own employees. Nothing in this Contract creates any obligation on the part of County to pay or see to the payment of any money due any subcontractor, except as may be required by law.
- 11. Assignment.** Contractor may not assign its rights or obligations under this Contract, in whole or in part, without the County's prior written approval. County may withhold approval at its sole discretion.
- 12. Non-Discrimination.** Contractor will comply with all provisions and requirements of Arizona Executive Order 2009-09, which is hereby incorporated into this contract, including flow-down of all provisions and requirements to any subcontractors. During the performance of this Contract, Contractor will not discriminate against any employee, client or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability or national origin.
- 13. Americans with Disabilities Act.** Contractor will comply with Title II of the Americans with Disabilities Act (Public Law 110-325, 42 U.S.C.§§ 12101-12213) and the federal regulations for Title II (28 CFR Part 35).
- 14. Authority to Contract.** Contractor warrants its right and power to enter into this Contract. If any court or administrative agency determines that County does not have authority to enter into this Contract, County will not be liable to Contractor or any third party by reason of such determination or by reason of this Contract.
- 15. Full and Complete Performance.** The failure of either party to insist, in one or more instances, upon the other party's complete and satisfactory performance under this Contract, or to take any action based on the other party's failure to completely and satisfactorily perform, is not a waiver of that party's right to insist upon complete and satisfactory performance, or compliance with any other covenant or condition in this Contract, either in the past or in the future. The acceptance by either party of sums less than may be due and owing it at any time is not an accord and satisfaction.
- 16. Cancellation for Conflict of Interest.** This Contract is subject to cancellation for conflict of interest pursuant to A.R.S. § 38-511, the pertinent provisions of which are incorporated into this Contract by reference.
- 17. Termination by County.**
- 17.1. Without Cause. County may terminate this Contract at any time without cause by notifying Contractor, in writing, at least 30 days before the effective date of the termination. In the event of such termination, County's only obligation to Contractor will be payment for services rendered prior to the date of termination.
- 17.2. With Cause. County may terminate this Contract at any time without advance notice and without further obligation to County when County finds Contractor to be in default of any provision of this Contract.
- 17.3. Non-Appropriation. Notwithstanding any other provision in this Contract, County may terminate this Contract if for any reason there are not sufficient appropriated and available monies for the purpose of maintaining County or other public entity obligations under this Contract. In the event of such termination, County will have no further obligation to Contractor, other than to pay for services rendered prior to termination.
- 18. Notice.** Any notice required or permitted to be given under this Contract must be in writing and be served by personal delivery or by certified mail upon the other party as follows:
- | | |
|--|--|
| County: | Contractor: |
| Terri Spencer, Director | Shawn Kraatz, First Vice President |
| Pima County Procurement | 2415 E Camelback Road, Suite 950 |
| 150 W Congress Street, 5 th Floor | Phoenix, AZ 85016 |
| Tucson, AZ 85716 | 949-660-8117, skraatz@alliant.com |
| (520) 724-8161, Terri.Spencer@pima.gov | |

- 19. Non-Exclusive Contract.** Contractor understands that this Contract is nonexclusive and is for the sole convenience of County. County reserves the right to obtain like services from other sources for any reason.
- 20. Remedies.** Either party may pursue any remedies provided by law for the breach of this Contract. No right or remedy is intended to be exclusive of any other right or remedy and each is cumulative and in addition to any other right or remedy existing at law or at equity or by virtue of this Contract.
- 21. Severability.** Each provision of this Contract stands alone, and any provision of this Contract found to be prohibited by law will be ineffective to the extent of such prohibition without invalidating the remainder of this Contract.
- 22. Use of County Data.** Unless it receives County's prior written consent, Contractor: (a) shall not access, process, or otherwise use County Data other than as necessary to provide contracted services or products; and (b) shall not intentionally grant any third party access to County Data, including without limitation Contractor's other customers, except subcontractors that are subject to a reasonable nondisclosure agreement. Notwithstanding the foregoing, Contractor may disclose County Data as required by applicable law or by proper legal or governmental authority. Contractor shall give County prompt notice of any such legal or governmental demand and reasonably cooperate with County in any effort to seek a protective order or otherwise to contest such required disclosure, at County's expense. Upon termination or completion of the Contract, Contractor will, within 60 calendar days, either return all County Data to County or will destroy County Data and confirm destruction to County in writing. As between the parties, County retains ownership of County Data. "County Data" means data in electronic or paper form provided to Contractor by County, including without limitation personal identifying information as defined in A.R.S. § 13-2001(10).
- 23. Books and Records.** Contractor will keep and maintain proper and complete books, records and accounts, which will be open at all reasonable times for inspection and audit by duly authorized representatives of County. In addition, Contractor will retain all records relating to this Contract for at least five (5) years after its expiration or termination or, if later, until any related pending proceeding or litigation has concluded.
- 24. Public Records.**
- 24.1. Disclosure. Pursuant to A.R.S. § 39-121 et seq., all documents submitted in response to the solicitation resulting in award of this Contract, including, but not limited to, pricing schedules, product specifications, work plans, and any supporting documents, are public records. As such, those documents are subject to release and/or review by the general public upon request, including competitors.
- 24.2. Records Marked Confidential; Notice and Protective Order. If Contractor reasonably believes that some of its records contain proprietary, trade-secret or otherwise-confidential information, Contractor must prominently mark those records "CONFIDENTIAL" before submitting them to County. In the event a public-records request is submitted to County for records marked CONFIDENTIAL, County will notify Contractor of the request as soon as reasonably possible. County will release the records 10 business days after the date of that notice, unless Contractor has, within that period, secured an appropriate order from a court of competent jurisdiction in Arizona, enjoining the release of the records. County will not, under any circumstances, be responsible for securing such an order, nor will County be in any way financially responsible for any costs associated with securing such an order.
- 25. Legal Arizona Workers Act Compliance.**
- 25.1. Compliance with Immigration Laws. Contractor hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to its employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the "State and Federal Immigration Laws"). Contractor will further ensure that each subcontractor who performs any work for Contractor under this Contract likewise complies with the State and Federal Immigration Laws.

25.2. Books & Records. County has the right at any time to inspect the books and records of Contractor and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.

25.3. Remedies for Breach of Warranty. Any breach of Contractor's or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, is a material breach of this Contract subjecting Contractor to penalties up to and including suspension or termination of this Contract. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, Contractor will be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor, as soon as possible so as not to delay project completion. Any additional costs attributable directly or indirectly to such remedial action are the responsibility of Contractor.

25.4. Subcontractors. Contractor will advise each subcontractor of County's rights, and the subcontractor's obligations, under this Section 25 by including a provision in each subcontract substantially in the following form:

"Subcontractor hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to Subcontractor's employees, and with the requirements of A.R.S. § 23-214 (A). Subcontractor further agrees that County may inspect the Subcontractor's books and records to insure that Subcontractor is in compliance with these requirements. Any breach of this paragraph by Subcontractor is a material breach of this contract subjecting Subcontractor to penalties up to and including suspension or termination of this contract."

26. Grant Compliance. Not applicable to this Agreement.

27. Written Orders. County will order services under this Contract by issuing a Delivery Order (DO) document. Order documents will be furnished to Contractor via e-mail or telephone.

Contractor must not perform services pursuant to the contract that are not documented or authorized by a Delivery Order (DO) at the time of provision. County accepts no responsibility for control of or payment for services not documented by a County Delivery Order (DO).

Contractor will establish, monitor, and manage an effective contract administration process that assures compliance with all requirements of this Contract. In particular, Contractor will not provide services other than those described in this Contract, in excess of the Maximum Payment Amount, or after the Term of the Contract has ended, without a Contract amendment properly executed and issued by County, as provided below. Any services provided in excess of that stated in this Contract are at Contractor's own risk.

28. Counterparts. The parties may execute the Contract that County awards pursuant to the solicitation in any number of counterparts, each counterpart is considered an original, and together such counterparts constitute one and the same instrument.

29. Israel Boycott Certification. Pursuant to A.R.S. § 35-393.01, if Contractor engages in for-profit activity and has 10 or more employees, and if this Contract has a value of \$100,000.00 or more, Contractor certifies it is not currently engaged in, and agrees for the duration of this Contract to not engage in, a boycott of goods or services from Israel. The certification does not apply to a boycott prohibited by 50 U.S.C. § 4842 or a regulation issued pursuant to 50 U.S.C. § 4842.

30. Forced Labor of Ethnic Uyghurs. Pursuant to A.R.S. § 35-394, if Contractor engages in for-profit activity and has 10 or more employees, Contractor certifies it is not currently using, and agrees for the duration of this Contract to not use (1) the forced labor of ethnic Uyghurs in the People's Republic of China; (2) any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China; and (3) any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China. If Contractor becomes aware during the term of the Contract that the Company is not in compliance with A.R.S. § 35-394, Contractor must notify

the County within five business days and provide a written certification to County regarding compliance within one hundred eighty days.

31. Amendment. The parties may modify, amend, alter or extend this Contract only by a written amendment signed by the parties.

32. Entire Agreement. This document constitutes the entire agreement between the parties pertaining to the subject matter it addresses, and this Contract supersedes all prior or contemporaneous agreements and understandings, oral or written.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

This Contract will become effective when all parties have signed it. The effective date of the Contract will be the date this Contract is signed by the last party (as indicated by the date associated with that party's signature).

IN WITNESS WHEREOF, the parties have approved this Professional Services Contract and agree to be bound by the terms and conditions of the Contract on the dates written below.

PIMA COUNTY

Chairman, Board of Supervisors

Date

ATTEST

Clerk of the Board

Date

CONTRACTOR

Authorized Officer Signature

Pamela Dominguez, Vice President

Printed Name and Title

October 7, 2022

Date

This contract template has been approved as to form by the Pima County Attorney's Office.

1. GENERAL SPECIFICATIONS:

- 1.1. The Contractor will be Pima County's Insurance Broker of Record and shall develop and place the most effective and cost-effective insurance coverage and provide a wide range of consulting services associated with Pima County Division of Risk Management (DRM).
- 1.2. The Contractor will provide brokerage and consulting services to assist DRM in fulfilling its critical role to ensure proper protection of the County's assets and activities on behalf of the County and its citizens.
- 1.3. The Contractor will develop re-structuring program options, market the coverage, present competitive quotes with recommendation and place and service the coverage. Related coverages and services may be added to each program at any time during the contract period and the Contractor must handle all additions.
- 1.4. The Contractor will:
 - 1.4.1. Within 120 days prior to policy expiration; develop a strategy for any upcoming renewals, communicate the market strategy, and relate information to Pima County Risk Management for feedback and approval.
 - 1.4.2. Prior to 90 days of expiration date of policy; assist County in both application completion and application submission to insurance market to ensure information is accurate and complete and to the markets 90 days in advance of the policy expiration.
 - 1.4.3. Once final negotiations are concluded, meet with and provide to DRM information related to each proposal to include; Best Rating, coverage summary, exclusions, pricing and other pertinent data.
 - 1.4.4. After coverage is bound and policy received, review insurance policy for completeness of coverage and technical language. Communicate to DRM once evaluation is completed.
 - 1.4.5. Provide to DRM written report on each policy to include a summary of coverages, exclusions and coverage changes from previous year for each policy. Also, provide with the written report copies of pertinent correspondence and documentation created in marketing the County's program.
 - 1.4.6. Provide customer service as a technical expert as requested by DRM:
 - a. Monitor industry practices, trends and issues affecting the public sector, make recommendations to County to assist in budgeting and reducing or preventing risk exposures.
 - b. Communicate and if requested conduct risk assessments as trends and risk exposures change.
 - c. Assist in creating or provide liability related training as needed based on risk exposures, trends and loss experience.
 - d. Conduct annual claims or risk audit to review procedures and best practices.
 - 1.4.7. The current countywide insurance program consists of coverage for general, professional and media liability encompassing all County Departments and Special Districts and various professional obligations. See ***Attachment 5: Pima County Schedule of Coverages 2021-2022*** for the most recent Pima County Insurance matrix.
 - a. Public Entity/Commercial General Liability including or independent placement of:
 - i. Professional Liability
 - ii. Law Enforcement Liability
 - iii. Public Officials and Employees Liability
 - iv. Garage Keepers' Liability
 - v. Special Event/Entertainment Liability
 - vi. Liquor Liability
 - vii. Sexual Abuse and Molestation
 - b. Workers' Compensation and Employers' Liability
 - c. Medical Malpractice
 - d. Property
 - e. Aircraft
 - i. Hull and Liability
 - ii. Non-Owned Aircraft Liability
 - f. Airport Liability

- g. Cyber Liability**
 - i. Intellectual Property Liability**
 - ii. Media Liability**
 - iii. Tech Errors and Omissions (E&O)**
 - iv. Network Liability**
- h. Automobile Liability (County self-insures Physical Damage)**
- i. Bonds (Fidelity & Surety) and Crime**
- j. Stop Loss**
- k. International (Mexican) Travel Insurance**

2. SERVICE SPECIFICATIONS:

- 2.1.** Contractor shall act as the Broker of Record for Pima County, perform the following services, and provide the deliverable described in this Scope of Services.
- 2.2.** Policy evaluation services and new policy:
 - 2.2.1.** During the period of this contract, the Contractor shall assist the County in evaluating whether the County's best interest is served by renewal of existing insurance policies or the procurement of new policies and/or insurance carriers. The Contractor shall evaluate the existing insurance market and no later than 90 calendar days prior to the renewal date of any policy procured pursuant to this contract, report its findings on the market to the DRM. Also, no later than the 90 day period, the Contractor shall also ascertain and report to DRM on whether the County's existing insurance carriers propose premium rate increases, coverage modifications and/or anticipate other renewal problems. The Contractor and DRM shall communicate in a manner and method mutually agreed upon by both parties.
 - 2.2.2.** If during the term of this contract, the County elects to procure a new insurance coverage, the Contractor shall take such steps as are necessary to place the new insurance coverages in accordance with this Scope of Services. If the County elects to procure a new insurance policy that was not listed in section 1.4.7 of this Scope of Services, the Contractor shall be allowed to earn revenue through commissions, contingencies, etc. for such policy. Upon procurement of new policies, the Contractor shall provide the revenue report and the policy maintenance and policy evaluation services described in section 2.3 and 2.4 of this Scope of Services.
- 2.3.** Placement of required insurance coverages:
 - 2.3.1.** Contractor shall develop a strategy for any upcoming renewal during the contract period to be presented in writing to DRM a minimum of 90 calendar days before expiration.
 - 2.3.2.** Contractor shall take all steps necessary to place insurance coverages including assisting Pima County in identifying and organizing pertinent information to more effectively market the insurance programs. Coordinate the collection of data and develop a submission document and related materials designed to communicate the County's insurance needs to the insurance marketplace and communication and negotiations with insurance carriers.
 - 2.3.3.** Compile quotations document for the program in an electronic format. Provide multiple quotes for competitive purposes. In the event that this requirement is not possible or recommended, the Contractor must submit an explanation/recommendation to DRM for approval. For those markets that decline to offer a quote on coverage, documentation from the market indicating why they chose not to quote must be provided.
 - 2.3.4.** Consider quotes from all qualified markets. All contracts from qualified and non-qualified markets must be documented and the Contractor must provide all results to DRM.
 - 2.3.5.** Upon authorization, bind the program as directed by DRM. Binders and/or confirmation of coverage shall be required upon placement.
 - 2.3.6.** Review and verify coverage documents received from all bound markets. Determine the coverage placed is correct and verify accuracy of price, rating classification and exposure.
 - 2.3.7.** In addition to the original paper copies, deliver electronic copies of all coverage documents. All documents shall be submitted electronically (as requested) within 90 calendar days of their effective date. All coverage placed with multiple layers must include an Excel graphic display of

the placement showing markets, policy numbers, limits, premiums, taxes, fees and commissions, if applicable, per layer.

2.3.8. The Contractor is prohibited from accepting any contingent income, profit sharing, enhanced commission, or other forms of hidden income associated with this contract without knowledge and approval of DRM. Confirm that compensation, including direct and contingent, on all market proposal has not been assessed or has been credited to the premium billed.

2.3.9. Ensure timely billing of all documents and endorsements to DRM. Premium will be paid by DRM to Contractor. In the event an issue arising that a Notice of Cancellation may be issued due to non-payment of premium, work with DRM to resolve the situation and to the extent possible, make payment on behalf of DRM.

2.3.10. Ensure proper service from markets on coverage placed and endorsements requested. Disclose coverage additions and coverage restrictions on all renewal quotes in a chart format as compared to the expiring coverage.

2.3.11. Be an advocate for the County on any disputed or problem claims. DRM shall report the claims to Contractor and the excess carriers. In the event of an incident of high severity, the Contractor may be asked to act as an intermediary and advocate for the County with the markets to facilitate communication, data exchange and prompt resolution of claims.

2.3.12. Provide annual excess insurance loss runs for each policy a minimum of 60 calendar days before expiration. These reports shall reflect all claims and related financial information above the County's self-insurance layer of insurance, to include all claims opened and closed and claims reserved and paid by policy year (including all allocated loss adjustment expenses) until all claims are closed. These reports shall be cumulative for the coverage year and not just activity for the year. At DRM's request, loss runs shall be provided at any time during the year.

2.3.13. In October, and in more detail in April, or as requested, advise DRM about current developments in the marketplace and pricing. In April information would also include current information on overages, forms, availability, pricing or other significant developments that would impact the County or Contractor's dealing with the County.

2.3.14. Submit an annual stewardship report outlining intended activities on behalf of the County for the upcoming insurance cycle (July and October) six (6) months, including the status of all items in the prior year's report. Report shall be provided at end of January.

2.4. Policy Maintenance Services:

2.4.1. The Contractor shall take such steps as are necessary to ensure that insurance policies are purchased meet County's specifications, including the review of applicable insurance binders, policies, certificates and other documents to ensure accuracy.

2.4.2. The Contractor shall also assist the County, at the County's request, in resolving claim disputes between the County and any company providing insurance coverage procured pursuant to this contract and such other services as are necessary to ensure that coverages procured are maintained.

2.5. Assess County's Insurance Needs:

2.5.1. During the term of this contract and in accordance with the contract, the Contractor shall analyze exposures, claims, coverage forms, specific limits of liability, per occurrence deductibles, annual aggregate deductibles, additional coverages, ensure there are no gaps and/or overlaps in coverage. Analyze current program data to determine various options in program structures to make the insurance program more efficient and effective. Address other related issues during the contract period as may be agreed to by the parties.

2.5.2. Based on the Contractor's in-depth analysis of the County's current insurance programs and exposures, the Contractor shall make written recommendations to the County regarding areas of concern, identify programs, products and markets capable of improving the insurance program to make it more efficient or effective. Also, make recommendations regarding quality of markets, limits and differences in various markets' terms and conditions. Offer creative solutions and innovative suggestions for the County to consider.

2.5.3. The written recommendations resulting from this risk assessment analysis shall be provided to the County on or before August 1st of the first year of the contract. The Contractor shall, at such

times as the County request, meet with appropriate County personnel in Tucson to discuss the results of the analysis.

2.6. Professional Services:

- 2.6.1.** When requested by DRM, Contractor shall provide risk management and professional services, including, but not limited to, identifying and minimizing loss potential, reviewing loss exposures, researching alternative risk transfer techniques, restructuring cost allocation for workers' compensation, claims audit.

END OF EXHIBIT A.

EXHIBIT B: COMPENSATION & PAYMENT (1 PAGE)**UNIT PRICES (Net 30-day Payment Terms)**

ITEM #	ITEM NAME (SERVICE CATEGORY) Items to include and satisfy all Solicitation & Professional Services Contract requirements, General & Item Specifications	ESTIMATED ANNUAL USAGE QUANTITY	UOM	UNIT PRICE \$	EXTENDED AMOUNT \$
1	ANNUAL FEE FOR BROKER SERVICES AND STANDARD RISK MANAGEMENT SERVICES INCLUDING PROCUREMENT AND PLACEMENT OF INSURANCE AND RELATED BROKER SERVICES: <ul style="list-style-type: none"> a. Assess County's insurance needs b. Broker Services (net of commission) including placement of: <ul style="list-style-type: none"> i. Liability including general liability, automobile liability, public officials' liability, law enforcement liability, medical malpractice, professional liability ii. Workers' compensation iii. Cyber risk iv. Crime or faithful performance v. Aviation vi. Property, boiler and machinery vii. Kidnap and ransom viii. International liability (Mexico auto and GL) c. Placement to include review and approval of coverage and endorsements, etc. d. Generate reports as outlined in Exhibit A. e. Other broker services as outlined in Exhibit A at no additional cost to County. 	1	LOT	\$55,000 Flat Annual Fee for Insurance Broker Services - Property/Casualty \$50,000 Flat Annual Fee for Employee Benefits/Advisory Services for Stop Loss/Health Benefits Insurance **	
2	ADDITIONAL BROKER SERVICES: <ul style="list-style-type: none"> a. Annual review of the County guidelines for insurance and indemnification (estimated up to 20 hours annually) b. Policy and insurance needs evaluation (estimated up to 40 hours annually) 	60	HOUR	Included	
3	CONSULTING SERVICES: <ul style="list-style-type: none"> a. Conduct risk assessments and provide recommendation to reduce County risks and liabilities, provide written report to Division of Risk Management (DRM) (estimated up to 60 hours annually) b. Annual actuarial report as requested by DRM (estimated up to 60 hours annually) c. Consulting services on new or evolving trends (estimated up to 20 hours annually) d. Risk management and professional services including but not limited to researching alternative risk transfer techniques (estimated up to 20 hours annually) 	160	HOUR	Included	
Although County will pay taxes <u>IF</u> applicable, do <u>NOT</u> include sales tax in unit price.				TOTAL BID	\$105,000

** Pima County currently pays on monthly basis under current contract for Stop Loss Insurance