

**SEMINOLE COUNTY GOVERNMENT  
AGENDA MEMORANDUM**

**SUBJECT:** RFP-600667-09/BJC - Third Party Administrator Services for Seminole County to Johns Eastern Company, Inc., Lakewood Ranch, Florida

**DEPARTMENT:** Administrative Services

**DIVISION:** Purchasing and Contracts

**AUTHORIZED BY:** Frank Raymond

**CONTACT:** Betsy Cohen

**EXT:** 7112

**MOTION/RECOMMENDATION:**

Award RFP-600667-09/BJC - Third Party Administrator Services for Seminole County to Johns Eastern Company, Inc., Lakewood Ranch, Florida.

County-wide

Ray Hooper

**BACKGROUND:**

On June 23, 2009, the Board of County Commissioners authorized staff to negotiate RFP-600667-09/BJC - Insurance Brokerage Services that will provide for administration for workers' compensation and liability claims processing services for the Seminole County self-insured program with Johns Eastern Company, Inc. The Provider will serve as the primary vendor, legally and financially responsible for providing the TPA services required and as directed by the County.

Negotiations were successful and the negotiated agreement is attached.

**STAFF RECOMMENDATION:**

Staff and the RMEC recommend the Board to award RFP-600667-09/BJC - Third Party Administrator Services for Seminole County to Johns Eastern Company, Inc., Lakewood Ranch, Florida.

**ATTACHMENTS:**

1. Agreement

<p><b>Additionally Reviewed By:</b></p> <p><input checked="" type="checkbox"/> County Attorney Review ( Ann Colby )</p>
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**THIRD PARTY ADMINISTRATOR SERVICES AGREEMENT  
(RFP-600667-09/BJC)**

**THIS AGREEMENT** is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between **JOHNS EASTERN COMPANY, INC.**, duly authorized to conduct business in the State of Florida, whose address is P.O. Box 110259, Lakewood Ranch, Florida 34211-0004, hereinafter called "CONSULTANT", and **SEMINOLE COUNTY**, a political subdivision of the State of Florida, whose address is Seminole County Services Building, 1101 East First Street, Sanford, Florida 32771, hereinafter called "COUNTY".

**W I T N E S S E T H:**

**WHEREAS**, COUNTY desires to retain the services of a competent and qualified consultant to provide claims management and administrator services for workers' compensation and liability claims for the COUNTY's self insurance program; and

**WHEREAS**, COUNTY has requested and received expressions of interest for the retention of services of a consultant; and

**WHEREAS**, CONSULTANT is competent and qualified to furnish consulting services to COUNTY and desires to provide its services according to the terms and conditions stated herein,

**NOW, THEREFORE**, in consideration of the mutual understandings and covenants set forth herein, COUNTY and CONSULTANT agree as follows:

**SECTION 1. SERVICES.** COUNTY does hereby retain CONSULTANT to furnish services and perform those tasks as further described in the Scope of Services and Performance Work Statement attached hereto and incorporated herein as Exhibit A. CONSULTANT shall also be bound by all requirements as contained in the solicitation package and any addenda thereto.

**SECTION 2. AUTHORIZATION FOR SERVICES.** Authorization for performance of professional services by CONSULTANT under this Agreement

shall be in the form of written Notice to Proceed issued and executed by

**SECTION 3. FIXED FEE COMPENSATION AND PAYMENT.**

(a) COUNTY agrees to compensate CONSULTANT for the professional services called for under this Agreement fees as indicated in Exhibit B, Fee Schedule, attached hereto. CONSULTANT shall perform all work required by the Scope of Services, but in no event shall CONSULTANT be paid more than the negotiated fees as stated in Exhibit B.

(b) Payments shall be made to CONSULTANT when requested as work progresses for services furnished, but not more than once monthly. CONSULTANT may invoice amounts due based on the total required services actually performed and completed. Upon review and approval of CONSULTANT's invoice, COUNTY shall, within thirty (30) days of receipt of the invoice, pay CONSULTANT the approved amount.

**SECTION 4. BILLING AND PAYMENT.**

(a) CONSULTANT shall render to COUNTY at the close of each calendar month a properly dated and itemized invoice including, but not limited to, the following information:

- (1) The name and address of CONSULTANT;
- (2) Contract Number;
- (3) A complete and accurate record of services performed by CONSULTANT for all services performed by CONSULTANT during that month and for which COUNTY is being billed;
- (4) A description of the services rendered in (3) above with sufficient detail to identify the exact nature of the work performed; and
- (5) Such other information as may be required by this Agreement or requested by COUNTY from time to time.

The original invoice and one (1) copy shall be sent to:

Director of County Finance  
Seminole County Board of County Commissioners  
Post Office Box 8080  
Sanford, Florida 32772

Two (2) copies of the invoice shall be sent to:

Administrative Services  
200 W. County Home Road  
Sanford, Florida 32773

(b) Payment shall be made after review and approval by COUNTY within thirty (30) days of receipt of a proper invoice from CONSULTANT.

**SECTION 5. AUDIT OF RECORDS.**

(a) COUNTY may perform, or have performed, an audit of the records of CONSULTANT after final payment to support final payment hereunder. This audit would be performed at a time mutually agreeable to CONSULTANT and COUNTY subsequent to the close of the final fiscal period in which the last work is performed. Total compensation to CONSULTANT may be determined subsequent to an audit as provided for in subsection (b) and of this Section and the total compensation so determined shall be used to calculate final payment to CONSULTANT. Conduct of this audit shall not delay final payment as required by Section 4(b).

(b) CONSULTANT agrees to maintain all books, documents, papers, accounting records, and other evidences pertaining to work performed under this Agreement in such a manner as will readily conform to the terms of this Agreement and to make such materials available at CONSULTANT's office at all reasonable times during this Agreement period and for five (5) years from the date of final payment under this Agreement for audit or inspection as provided for in subsection (a) of this Section.

(c) In the event any audit or inspection conducted after final payment, but within the period provided in subsection (b) of this Section, reveals any overpayment by COUNTY under the terms of this Agreement, CONSULTANT shall refund such overpayment to COUNTY within thirty (30) days of notice by COUNTY.

**SECTION 6. RESPONSIBILITY OF CONSULTANT.**

(a) CONSULTANT shall be responsible for the professional quality of services furnished by CONSULTANT under this Agreement. CONSULTANT shall, without additional compensation, correct or revise any errors or deficiencies in its services.

(b) Neither COUNTY's review, approval, acceptance of, nor payment for any of the services required shall be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement; and CONSULTANT shall be and remain liable to COUNTY in accordance with applicable law for all damages to COUNTY caused by CONSULTANT's performance of any of the services furnished under this Agreement.

**SECTION 7. TERM.** This Agreement shall take effect on the date of its execution by COUNTY and shall remain in effect for five (5) years.

**SECTION 8. TERMINATION.**

(a) COUNTY may, by written notice to CONSULTANT, terminate this Agreement, in whole or in part, at any time, either for COUNTY's convenience or because of the failure of CONSULTANT to fulfill CONSULTANT's Agreement obligations. Upon receipt of such notice, CONSULTANT shall:

(1) Immediately discontinue all services affected unless the notice directs otherwise; and

(2) Deliver to COUNTY all plans, studies, reports, estimates, summaries, and such other information and materials as may have been accumulated by CONSULTANT in performing this Agreement, whether completed or in process.

(b) If the termination is for the convenience of COUNTY, CONSULTANT shall be paid compensation for services performed to the date of termination. CONSULTANT shall be paid no more than a percentage of the Fixed Fee amount equivalent to the percentage of the completion of

work contemplated by this Agreement.

(c) If the termination is due to the failure of CONSULTANT to fulfill its Agreement obligations, COUNTY may take over the work and prosecute the same to completion by Agreement or otherwise. In such case, CONSULTANT shall be liable to COUNTY for reasonable additional costs occasioned to COUNTY thereby. CONSULTANT shall not be liable for such additional costs if the failure to perform this Agreement arises out of causes beyond the control and without the fault or negligence of CONSULTANT. Such causes may include, but are not limited to, acts of God or of the public enemy, acts of COUNTY in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but, in every case, the failure to perform must be beyond the control and without the fault or negligence of CONSULTANT.

(d) If, after notice of termination for failure to fulfill Agreement obligations, it is  determined that CONSULTANT had not so failed, the termination shall be deemed to have been effected for the convenience of COUNTY. In such event, adjustment in the Agreement price shall be made as provided in subsection (b) of this Section.

(e) The rights and remedies of COUNTY provided in this clause are in addition to any other rights and remedies provided by law or under this Agreement.

**SECTION 9. EQUAL OPPORTUNITY EMPLOYMENT.** CONSULTANT agrees that it will not discriminate against any employee or applicant for employment for work under this Agreement because of race, color, religion, sex, age, national origin, or disability and will take steps to ensure that applicants are employed and employees are treated during employment without regard to race, color, religion, sex, age, national origin, or disability. This provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer;

recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

**SECTION 10. NO CONTINGENT FEES.** CONSULTANT warrants that it has not employed or retained any company or persons other than a bona fide employee working solely for CONSULTANT to solicit or secure this Agreement and that CONSULTANT has not paid or agreed to pay any persons, company, corporation, individual, or firm, other than a bona fide employee working solely for CONSULTANT, any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. For the breach or violation of this provision, COUNTY shall have the right to terminate this Agreement at its discretion without liability and to deduct from the Agreement price or otherwise recover the full amount of such fee, commission, percentage, gift, or consideration.

**SECTION 11. ASSIGNMENT.**  This Agreement, or any interest herein, shall not be assigned, transferred, or otherwise encumbered under any circumstances by the parties hereto without prior written consent of the opposite party and only by a document of equal dignity herewith.

**SECTION 12. SUBCONSULTANTS.** In the event CONSULTANT, during the course of the work under this Agreement, requires the services of any sub-consultants or other professional associates in connection with service covered by this Agreement, CONSULTANT must secure the prior written approval of COUNTY. If sub-consultants or other professional associates are required in connection with the services covered by this Agreement, CONSULTANT shall remain fully responsible for the services of sub-consultants or other professional associates.

**SECTION 13. INDEMNIFICATION OF COUNTY.** CONSULTANT agrees to hold harmless, replace, and indemnify COUNTY, its commissioners, officers, employees, and agents against any and all claim, losses, damages, or

lawsuits for damages, arising from, allegedly arising from, or related to the provision of services hereunder by CONSULTANT whether caused by CONSULTANT or otherwise. This hold harmless, release, and indemnification shall include any claim based on negligence, action, or inaction of the parties.

**SECTION 14. INSURANCE.**

(a) General. CONSULTANT shall, at CONSULTANT's own cost, procure the insurance required under this Section.

(1) CONSULTANT shall furnish COUNTY with a Certificate of Insurance signed by an authorized representative of the insurer evidencing the insurance required by this Section (Professional Liability, Workers' Compensation/Employer's Liability and Commercial General Liability). COUNTY, its officials, officers, and employees shall be named additional insured under the Commercial General Liability policy. The Certificate of Insurance shall provide that COUNTY shall be given not less than thirty (30)  days written notice prior to the cancellation or restriction of coverage. Until such time as the insurance is no longer required to be maintained by CONSULTANT, CONSULTANT shall provide COUNTY with a renewal or replacement Certificate of Insurance not less than thirty (30) days before expiration or replacement of the insurance for which a previous certificate has been provided.

(2) The Certificate shall contain a statement that it is being provided in accordance with this Agreement and that the insurance is in full compliance with the requirements of this Agreement. In lieu of the statement on the Certificate, CONSULTANT shall, at the option of COUNTY, submit a sworn, notarized statement from an authorized representative of the insurer that the Certificate is being provided in accordance with this Agreement and that the insurance is in full compliance with the requirements of this Agreement. **The Certificate**

shall have this Agreement number clearly marked on its face.

(3) In addition to providing the Certificate of Insurance, if required by COUNTY, CONSULTANT shall, within thirty (30) days after receipt of the request, provide COUNTY with a certified copy of each of the policies of insurance providing the coverage required by this Section.

(4) Neither approval by COUNTY nor failure to disapprove the insurance furnished by CONSULTANT shall relieve CONSULTANT of CONSULTANT's full responsibility for performance of any obligation including CONSULTANT's indemnification of COUNTY under this Agreement.

(b) Insurance Company Requirements. Insurance companies providing the insurance under this Agreement must meet the following requirements:

(1) Companies issuing policies other than Workers' Compensation must be authorized to conduct business in the State of Florida and prove same by maintaining Certificates of Authority issued to the companies by the Department of Insurance of the State of Florida. Policies for Workers' Compensation may be issued by companies authorized as a group self-insurer by Section 624.4621, Florida Statutes.

(2) In addition, such companies other than those authorized by Section 624.4621, Florida Statutes shall have and maintain a Best's Rating of "A-" or better and a Financial Size Category of "VII" or better according to A.M. Best Company.

(3) If, during the period which an insurance company is providing the insurance coverage required by this Agreement, an insurance company shall: (i) lose its Certificate of Authority, (ii) no longer comply with Section 624.4621, Florida Statutes, or (iii) fail to maintain the requisite Best's Rating and Financial Size Category, CONSULTANT shall, as soon as CONSULTANT has knowledge of any such circumstance, immediately notify COUNTY and immediately replace the

insurance coverage provided by the insurance company with a different insurance company meeting the requirements of this Agreement. Until such time as CONSULTANT has replaced the unacceptable insurer with an insurer acceptable to COUNTY, CONSULTANT shall be deemed to be in default of this Agreement.

(c) Specifications. Without limiting any of the other obligations or liability of CONSULTANT, CONSULTANT shall, at CONSULTANT's sole expense, procure, maintain, and keep in force amounts and types of insurance conforming to the minimum requirements set forth in this Section. Except as otherwise specified in this Agreement, the insurance shall become effective prior to the commencement of work by CONSULTANT and shall be maintained in force until this Agreement's completion date. The amounts and types of insurance shall conform to the following minimum requirements.

(1) Workers' Compensation/Employer's Liability.

(A) CONSULTANT's  insurance shall cover CONSULTANT for liability which would be covered by the latest edition of the standard Workers' Compensation Policy, as filed for use in Florida by the National Council on Compensation Insurance without restrictive endorsements. CONSULTANT will also be responsible for procuring proper proof of coverage from its sub-consultants of every tier for liability which is a result of a Workers' Compensation injury to the sub-consultant's employees. The minimum required limits to be provided by both CONSULTANT and its sub-consultants are outlined in subsection (c) below. In addition to coverage for the Florida Workers' Compensation Act, where appropriate, coverage is to be included for the United States Longshoremen and Harbor Workers' Compensation Act, Federal Employers' Liability Act, and any other applicable Federal or State laws.

(B) Subject to the restrictions of coverage found in the standard Workers' Compensation Policy, there shall be no maximum

limit on the amount of coverage for liability imposed by the Florida Workers' Compensation Act, the United States Longshoremen and Harbor Workers' Compensation Act, or any other coverage customarily insured under Part One of the standard Workers' Compensation Policy.

(C) The minimum amount of coverage under Part Two of the standard Workers' Compensation Policy shall be:

\$ 500,000.00	(Each Accident)
\$1,000,000.00	(Disease-Policy Limit)
\$ 500,000.00	(Disease-Each Employee)

(2) Commercial General Liability.

(A) CONSULTANT's insurance shall cover CONSULTANT for those sources of liability which would be covered by the latest edition of the standard Commercial General Liability Coverage Form (ISO Form CG 00 01) as filed for use in the State of Florida by the Insurance Services Office without the attachment of restrictive endorsements other than the elimination of Coverage C, Medical Payment and the elimination of coverage for Fire Damage Legal Liability.

(B) The minimum limits to be maintained by CONSULTANT (inclusive of any amounts provided by an Umbrella or Excess policy) shall be as follows:

<u>LIMITS</u>	
General Aggregate	Three (3) Times the Each Occurrence Limit
Personal & Advertising Injury Limit	\$500,000.00
Each Occurrence Limit	\$500,000.00

(3) Professional Liability Insurance. CONSULTANT shall carry limits of not less than FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$500,000.00).

(d) Coverage. The insurance provided by CONSULTANT pursuant to this Agreement shall apply on a primary basis and any other insurance or self-insurance maintained by COUNTY or COUNTY's officials, officers, or employees shall be excess of and not contributing with the insurance

provided by or on behalf of CONSULTANT.

(e) Occurrence Basis. The Workers' Compensation Policy and the Commercial General Liability required by this Agreement shall be provided on an occurrence rather than a claims-made basis. The Professional Liability insurance policy must either be on an occurrence basis, or, if a claims-made basis, the coverage must respond to all claims reported within three (3) years following the period for which coverage is required and which would have been covered had the coverage been on an occurrence basis.

(f) Obligations. Compliance with the foregoing insurance requirements shall not relieve CONSULTANT, its employees, or agents of liability from any obligation under this Section or any other portions of this Agreement.

**SECTION 15. DISPUTE RESOLUTION.**

(a) In the event of a dispute related to any performance or payment obligation arising under  this Agreement, the parties agree to exhaust COUNTY dispute resolution procedures prior to filing suit or otherwise pursuing legal remedies. COUNTY dispute resolution procedures for proper invoice and payment disputes are set forth in Section 22.15, "Prompt Payment Procedures," Seminole County Administrative Code. Contract claims include all controversies, except disputes addressed by the "Prompt Payment Procedures," arising under this Agreement within the dispute resolution procedures set forth in Section 8.1539, "Contract Claims," Seminole County Administrative Code.

(b) CONSULTANT agrees that it will file no suit or otherwise pursue legal remedies based on facts or evidentiary materials that were not presented for consideration in COUNTY dispute resolution procedures set forth in subsection (a) above of which CONSULTANT had knowledge and failed to present during COUNTY dispute resolution procedures.

(c) In the event that COUNTY dispute resolution procedures are exhausted and a suit is filed or legal remedies are otherwise pursued, the parties shall exercise best efforts to resolve disputes through voluntary mediation. Mediator selection and the procedures to be employed in voluntary mediation shall be mutually acceptable to the parties. Costs of voluntary mediation shall be shared equally among the parties participating in the mediation.

**SECTION 16. REPRESENTATIVE OF COUNTY AND CONSULTANT.**

(a) It is recognized that questions in the day-to-day conduct of performance pursuant to this Agreement will arise. COUNTY, upon request by CONSULTANT, shall designate in writing and shall advise CONSULTANT in writing of one or more COUNTY employees to whom all communications pertaining to the day-to-day conduct of this Agreement shall be addressed. The designated representative shall have the authority to transmit instructions, receive information, and interpret and define COUNTY's policy and decisions  pertinent to the work covered by this Agreement.

(b) CONSULTANT shall, at all times during the normal work week, designate or appoint one or more representatives of CONSULTANT who are authorized to act on behalf of CONSULTANT regarding all matters involving the conduct of the performance pursuant to this Agreement and shall keep COUNTY continually advised of such designation.

**SECTION 17. ALL PRIOR AGREEMENTS SUPERSEDED.** This document incorporates and includes all prior negotiations, correspondence, conversations, agreements, or understandings applicable to the matters contained herein and the parties agree that there are not commitments, agreements, or understandings concerning the subject matter of this Agreement that are not contained or referred to in this document. Accordingly, it is agreed that no deviation from the terms hereof shall be predicated upon any prior representations or agreements whether oral

or written.

**SECTION 18. MODIFICATIONS, AMENDMENTS OR ALTERATIONS.** No modification, amendment, or alteration in the terms or conditions contained herein shall be effective unless contained in a written document executed with the same formality and of equal dignity herewith.

**SECTION 19. INDEPENDENT CONSULTANT.** It is agreed that nothing herein contained is intended or should be construed as in any manner creating or establishing a relationship of co-partners between the parties or as constituting CONSULTANT, including its officers, employees, and agents, as an agent, representative, or employee of COUNTY for any purpose or in any manner whatsoever. CONSULTANT is to be and shall remain an independent CONSULTANT with respect to all services performed under this Agreement.

**SECTION 20. EMPLOYEE STATUS.** Persons employed by CONSULTANT in the performance of services and functions pursuant to this Agreement shall have no claim to pension,  workers' compensation, unemployment compensation, civil service, or other employee rights or privileges granted to COUNTY's officers and employees either by operation of law or by COUNTY.

**SECTION 21. SERVICES NOT PROVIDED FOR.** No claim for services furnished by CONSULTANT not specifically provided for herein shall be honored by COUNTY.

**SECTION 22. PUBLIC RECORDS LAW.** CONSULTANT acknowledges COUNTY's obligations under Article 1, Section 24, Florida Constitution and Chapter 119, Florida Statutes to release public records to members of the public upon request. CONSULTANT acknowledges that COUNTY is required to comply with Article 1, Section 24, Florida Constitution and Chapter 119, Florida Statutes in the handling of the materials created under this Agreement and that said statute controls over the terms of this Agreement.

**SECTION 23. NOTICES.** Whenever either party desires to give notice unto 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 and the place for giving of notice shall remain such until it shall have been changed by written notice in compliance with the provisions of this Section. For the present, the parties designate the following as the respective places for giving of notice, to wit:

**For COUNTY:**

Administrative Services  
200 W. County Home Road  
Sanford, FL 32773

**For CONSULTANT:**

Johns Eastern Company, Inc.  
P.O. Box 110259  
Lakewood Ranch, FL 34211-0004

**SECTION 24. RIGHTS AT LAW RETAINED.** The rights and remedies of COUNTY provided for under this Agreement are in addition to any other rights and remedies provided by law.



**SECTION 25. COMPLIANCE WITH LAWS AND REGULATIONS.** In providing all services pursuant to this Agreement, CONSULTANT shall abide by all statutes, ordinances, rules, and regulations pertaining to or regulating the provisions of such services including those now in effect and hereafter adopted. Any violation of said statutes, ordinances, rules, or regulations shall constitute a material breach of this Agreement and shall entitle COUNTY to terminate this Agreement immediately upon delivery of written notice of termination to CONSULTANT.

**SECTION 26. CONFLICT OF INTEREST.**

(a) CONSULTANT agrees that it will not engage in any action that would create a conflict of interest in the performance of its obligations pursuant to this Agreement with COUNTY or which would violate or cause others to violate the provisions of Part III, Chapter

112, Florida Statutes relating to ethics in government.

(b) CONSULTANT hereby certifies that no officer, agent, or employee of COUNTY has any material interest (as defined in Section 112.312(15), Florida Statutes as over 5 percent) either directly or indirectly, in the business of CONSULTANT to be conducted here and that no such person shall have any such interest at any time during the term of this Agreement.

(c) Pursuant to Section 216.347, Florida Statutes, CONSULTANT hereby agrees that monies received from COUNTY pursuant to this Agreement will not be used for the purpose of lobbying the Legislature or any other State or Federal agency.

***(Signature Page Follows)***



IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement for the purposes stated herein.

ATTEST:

JOHNS EASTERN COMPANY, INC.

\_\_\_\_\_  
, Secretary

By: \_\_\_\_\_  
BEVERLY ADKINS  
Executive Vice-President

(CORPORATE SEAL)

Date: \_\_\_\_\_

ATTEST:

BOARD OF COUNTY COMMISSIONERS  
SEMINOLE COUNTY, FLORIDA

\_\_\_\_\_  
MARYANNE MORSE  
Clerk to the Board of  
County Commissioners of  
Seminole County, Florida.

By: \_\_\_\_\_  
BOB DALLARI, Chairman

Date: \_\_\_\_\_

For the use and reliance  
of Seminole County only.

As authorized for execution by  
the Board of County Commissioners  
at their \_\_\_\_\_, 20\_\_\_\_,  
regular meeting.

Approved as to form and  
legal sufficiency.



\_\_\_\_\_  
County Attorney

AEC/lpk/sjs  
5/6/09, 6/26/09  
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Attachments:

- Exhibit A - Scope of Services
- Exhibit B - Fee Schedule

## Description of Services and Requirements

Seminole County Board of County Commissioners (SCBOCC) is interested in seeking sealed proposals from qualified vendors that have demonstrated competence and possess the ability and experience necessary to provide claims management and administration for workers' compensation and liability claims processing services for its self-insured program.

It is the intention of the County to enter into a primary contractual relationship with a single firm who will serve as the primary vendor, legally and financially responsible for providing the TPA services required.

1. **THIRD PARTY ADMINISTRATION (TPA) SERVICES:** SCBOCC desires third party claims administration services for workers' compensation, general liability, automobile, property, and error & omissions.

**A. Administration Services:**

Respondents must assume that they would handle all workers' compensation claims (medical only and lost time), automobile and general liability (bodily injury and property damage), auto physical, professional errors and omissions, and property claims.

It is anticipated that the administration for all active claims (Tail Claims) as of October 1, 2009 will be assumed by the selected claims administrator. Proposals must specify the fee for the assumption of these active claims. A timeline should be provided indicating dates each task will be completed to assume, review, and handle the active claims.

- B. Claims Handling:** The administrator shall use its best judgment in settling or denying claims and in setting reserves for future payment and shall perform the following functions with regard to claims:

1. Provide all reports, including Unit Statistical Reports, required by the State, with the exception of the annual Payroll Report (SI-5) and the Drug-Free Workplace Application (these reports are filed by the Self-Insured).
2. Within one (1) working day of receipt of a new claim, all data shall be entered into the information system, assigned the proper codes and initial reserves.
3. Comply with all applicable laws and regulations regarding workers' compensation benefits.
4. Initial contact with injured claimants and lost time employees must be completed within 24 hours. All other initial contacts should be completed within 48 hours.
5. Perform necessary investigations and other measures to assure claim validity.
6. Within 24 hours respond to inquiries from employees and/or injured parties regarding the status of their claim.
7. Identify and investigate all subrogation possibilities for potential recovery including investigation, evaluation, and negotiation of subrogation cases.

8. All lost time claims or liability claims involving bodily injury shall be reported to the Index Bureau within 15 days of receipt of the loss.
9. Properly review, process and pay claims on a timely basis.
10. All phone conversations, discussions, and meetings held on the case shall be clearly documented in each file.
11. All pre-approved payments, reserve revisions, and file closings shall be promptly entered into the computer system.
12. Coordinate the efforts of all medical providers. Proactive triage at onset of injury.
13. Maintain a current roster of acceptable local physicians for treatment of occupational injuries/accidents on a walk-in or employer referral, first aid and specialized basis, as well as maintain procedures for establishing close liaison with the treating physician, and access to an acceptable network of healthcare providers.
14. Provide medical management services and cost containment services internally in conjunction with TPA services. The County requires that only licensed RNs provide medical management services. All Nurse Case Manager activity shall be part of the claims management notes system.
15. Assist in process of providing rehabilitation of injured employees in the consultation for modified work (light duty, re-training, or reassignment of employees with limited physical performance arising from the injury).
16. Recommend surveillance or activity checks as deemed appropriate and arrange it upon prior approval of SCBOCC with approved vendors.
17. Continuously advise regarding actions, procedures, etc. which will result in control of claims.
18. The TPA shall maintain emergency response procedures with the ability to establish a catastrophic operation center within 48 hours.
19. Assist in the collection of claims against others for damage to County's property and subrogation of workers' compensation and liability claims.
20. Make recommendations on salvage matters.
21. The claims administrator is expected to be familiar with applicable laws regarding potential liability for injury or damage or other loss to members of the public (e.g. familiarity with Florida's sovereign immunity statutes, Federal law regarding governmental liability, etc.).
22. Firefighters are subject to Occupational Disease Claims and FS 112.181. Seminole County requires that adjusters handling these types of claims be educated in the different statutory requirements associated with these claims.
23. Attend quarterly meetings with SCBOCC staff. Written status reports shall be provided to the County during these quarterly claim reviews. The summary should include any and all information that relates to the direction and value of the case, as well as further work to be done. A sample status report should be submitted with your proposal.
24. SCBOCC reserves the right to direct the claims administrator in writing regarding payment of claims. SCBOCC reserves the right to establish a limit on the amount of payment that can be made by the administrator without County authorization. Settlement authority shall be obtained from the County before any settlement negotiations may be commenced.
25. The TPA shall maintain claim review procedures in place for supervisors or auditors within your firm.
26. The TPA shall have established standard reserving practices to assist

SCBOCC in establishing reserves. Reserves shall be reviewed at a minimum of every 90 days. File notes should reflect reserves were reviewed.

27. The TPA shall coordinate with SCBOCC an acceptable claims funding arrangement.
28. Prepare and/or assist County staff with all appropriate responses to audits and inquiries of all regulatory agencies.
29. The TPA is responsible for providing all IRS required forms 1099's to vendors relating to the vendor's services.
30. EDI submission of State of Florida required workers' compensation data is required by the County.

**C. Excess Insurers Coordination:** The Administrator shall agree to be responsible for reporting to specific and/or aggregate excess insurers' claims required within the terms and conditions of the specific and/or aggregate insurance.

**D. Information Technology:** The TPA is expected to provide monthly and annual summaries of claims by type of risk and should recap each year's experience, including prior years, to date. The reports should be on a fiscal year basis starting with October 1 and in an acceptable format to SCBOCC.

1. Claims Experience Reports should be provided within 15 days of the end of the period for which each report applies.
2. Provide a report of accounts for aggregate loss experience analysis.
3. SCBOCC requires the ability to provide a breakdown of experience for each department. Supplemental claims documentation should provide, in plain English, sufficient information to indicate what happened, to whom or what and how much has been paid or is expected to be paid.
4. Online and real time access to the administrator's claim system, including all adjuster's and nurse case manager's notes is viewed as critical by the County. All proposals must provide details on the County's ability to access the administrator's automated claim files to include adjuster's and nurse case manager's notes, payments, claim notes, Imaging of invoices and messaging capabilities.
5. OSHA reporting capabilities should be outlined.
6. Ad Hoc Report Library and Query options are desired features. Details should be outlined in your proposal.
7. Online NOI entry is required. Outline any cost associated with this feature and if it is an outsourced IT function.

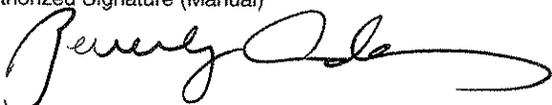
**E. Hold Harmless/Indemnification:** The administrator shall agree to hold harmless and indemnify SCBOCC for any errors in handling claims and for any fines or penalties which may result from the fault of the administrator. Respondents shall agree that any payments in excess of valid claims that cannot be recovered shall be refunded to SCBOCC.

**F. County Control:** SCBOCC reserves the right to direct the claims administrator regarding settlement of all claims.

**G. Legal Services:** Attorneys designated by SCBOCC must be utilized, unless otherwise instructed.

- H. **Right to Inspect/Copy/Audit:** SCBOCC shall have the right to inspect or audit the files, including the right to utilize an outside auditor for these functions on SCBOCC's behalf. It is the preference of SCBOCC for the files to be electronically stored with access provided to SCBOCC of all stored document images, faxes, incoming email attachments, and all documents generated by the Claims Management System.
  - I. **Claims Records as Property of SCBOCC:** All claims files and other records, documents, lists, supplies, etc., pertaining to claims are the property of SCBOCC and will be delivered to SCBOCC upon contract termination.
  - J. **Experience Modification Evaluation:** Explain your capabilities and cost for evaluating the County's workers' compensation experience modification and for effecting a revised modification, if appropriate.
  - K. **Cooperation on Takeover of Account:** The successful firm is expected to agree to provide SCBOCC and its current administrator full cooperation in taking over claims, and to agree to provide SCBOCC and any future successor administrator full cooperation in facilitating a future turnover of the account to a new administrator.
  - L. **Claims Handling Beyond Contract Termination:** The administrator shall, in addition to providing information about costs of claims administration, indicate its responsibility for paying claims in the future if the basic claims administration contract should be terminated (e.g. the claims administrator should state its responsibility and costs for handling claims to conclusion or a point certain beyond termination of the claims handling contract).
2. **PUBLIC ENTITY LIABILITY:** There are liability issues facing Florida public entities that should be considered in responding to this Request for Proposal for Third Party Administration Services. Florida public entities enjoy limited sovereign immunity from tort from within Florida, but have concerns about potential liability for claims involving other states, and for federal liability.
- A. **Florida Sovereign Immunity:** Florida Statute 768.28 (which preserves sovereign immunity above \$100,000 per claim or judgement/\$200,000 per occurrence) states that a governmental entity "shall not be deemed to have waived any defense of sovereign immunity or to have increased the limits of its liability as a result of its obtaining insurance coverage for tortuous acts in excess of the \$100,000 or \$200,000 waiver".
  - B. **Federal Law:** Since Florida's sovereign immunity law applies only to Florida tort; claimants often bring liability claims against Florida public entities in federal law, very often citing violations of civil rights. The following is a listing of some Civil Rights Statutes under which persons may seek recovery:
    1. United States Code, Title 42, Section 1981, Equal Rights Under the Law
    2. United States Code, Title 42, Section 1982, Property Rights of Citizens
    3. United States Code, Title 42, Section 1983, Civil Action for Deprivation of Rights

4. United States Code, Title 42, Section 1985, Conspiracy to Interfere with Civil Rights
5. United States Code, Title 42, Section 1986, Action for Neglect to Prevent
6. United States Code, Title 42, Section 2000 (e), Title VII, Employment
7. United States Code, Title 29, Section 206, Equal pay act of 1983
8. United States Code, Title 29, Section 621 et seq, Age discrimination of 1967
9. United States Code, Title 42, Section 2000(a) - 2000(a)(6), Public accommodations
10. United States Code, Title 42, Section 2000(b); or, Public facilities
11. United States Code, Title 28, Section 701-709 et seq. , Rehabilitation act of 1973

<b>SUBMIT PROPOSALS TO:</b> Seminole County 1101 E. 1st Street, Room 3208 Sanford, Florida 32771 <b>Attn.: PURCHASING DIVISION</b>	<b>REQUEST FOR PROPOSALS</b> and Proposer Acknowledgment
<b>Contact:</b> Betsy J Cohen, CPPB Purchasing Supervisor 407-665-7112 <u><a href="mailto:bcohen@seminolecountyfl.gov">bcohen@seminolecountyfl.gov</a></u>	<b>RFP-600667-09/BJC</b> <b>Third Party Administrator</b> <b>Services for Seminole</b> <b>County</b>
<b>Proposal Due Date:</b> June 10, 2009 <b>Proposal Due Time:</b> 2:00 P.M.	<b>Location of Public Opening:</b> County Services Building, Room #3208 1101 E. 1st Street, Sanford, Florida 32771
<b>Proposer Name:</b> <b>JOHNS EASTERN COMPANY, INC.</b>	<b>Federal Employer ID Number or SS Number:</b> <b>59-1115663</b>
<b>Mailing Address:</b> <b>PO BOX 110259</b>	If returning as a "No Submittal", state reason (If so, return only this page):
<b>City, State, Zip:</b> <b>LAKEWOOD RANCH, FL 34211-0004</b>	
<b>Type of Entity:</b> <i>(Circle one)</i> <input checked="" type="checkbox"/> Corporation    Partnership <input type="checkbox"/> Proprietorship    Joint Venture	<input checked="" type="checkbox"/> Authorized Signature (Manual) 
<b>Incorporated in the State of:</b> <b>FLORIDA</b>	
<b>Telephone Number:</b> <b>(941) 907-3100</b>	<b>Typed Name:</b> <b>BEVERLY ADKINS</b>
<b>Toll Free Telephone Number:</b> <b>(877) 326-JECO</b>	<b>Title:</b> <b>EXECUTIVE VICE PRESIDENT</b>
<b>Fax Number:</b> <b>(941) 527-4031</b>	<b>Date:</b> <b>JUNE 8, 2009</b>

**THIS FORM MUST BE COMPLETED AND RETURNED WITH YOUR PROPOSAL**

The Applicant is expected to completely analyze the information contained in this Request for Proposals as guidance for the preparation of the submittal. The Applicant's submittal shall be sufficiently specific, detailed, and complete to clearly and fully demonstrate the Applicant's understanding of the proposed work requirements.

RFP-600667-09/BJC - Third Party Administrator



## FEE/COSTS

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Fees for claims handling for Workers' Compensation and Liability exposures whose dates of loss fall between 10/01/2009 and 9/30/2010 will be a deposit of \$111,000.00. This deposit will be billed on a quarterly basis, with the first payment due upon contract inception. All years are subject to audit. This rate is based on the following:

• WC/Medical Only	\$ 160.00 per exposure
• WC/Indemnity	\$ 975.00 per exposure
• AL/BI	\$ 600.00 per exposure
• AL/PD	\$ 450.00 per exposure
• Auto Phys	\$ 250.00 per exposure
• GL/PD	\$ 450.00 per exposure
• GL/BI	\$ 695.00 per exposure
• Professional E&O	\$ 950.00 per exposure
• Property*	\$ 400.00 per exposure

\*Property claims (building and contents) will be charged at a rate of \$400.00 per claim for TPA claims management. If fieldwork is required for the assessment of damages or written estimates, then in addition to the flat rate quoted of \$400.00, the Employer will be charged per the attached fee schedules.

### TAIL CLAIMS AND DATA CONVERSION

Since Johns Eastern Company is the incumbent, there are no fees for handling of the tail claims to conclusion for the life of the contract and there are no data conversions required.

### FEES FOR SUCCESSIVE YEARS

Fees are guaranteed for Year 2. Fees for the 3rd, 4th, and 5th years are guaranteed not to exceed 4.5% over the previous year's fee.

### DATA CAPTURE

A checking writing fee of \$50.00 would be charged on claims where Johns Eastern Company is requested to issue payments only. Johns Eastern Company's responsibility would be limited to data capture and check issuance. These exposures would be reported separately by department.

### ALLOCATED EXPENSES

We charge allocated expenses to the claim file as outlined in Section 3 on page 19. Fees for any field investigation will be \$95.00 per hour, \$0.55 a mile and \$2.00 per color photograph, and administrative expenses.

### EXTENDED CLAIMS HANDLING

We will handle all claims received whose date of loss is within the terms of this proposal and contract. If and when the contract is terminated, we will handle the claims for a period of thirty (30) days thereafter at no additional charge. If Seminole County BOCC wishes the claims to be handled beyond this point, fees will be negotiated at that time.

## FEE/COSTS

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### MEDICAL MANAGEMENT

Telephonic case management would be provided on all cases. Fee for this service would be:

- » \$600.00 per selected indemnity case
- » \$125.00 per selected medical only case

Johns Eastern Company receives no overrides from any of our network or ancillary providers.

### PROVIDER BILL REVIEW/COST CONTAINMENT SERVICES

Johns Eastern Company will review all medical bills and make appropriate reductions as required by Florida Statute 440. Fees for these services are:

- » \$5.95 per bill
- » 30% of all savings over and above Fee Schedule reductions
- » 35% out-of-network and hospital audits

All Cost Containment/Bill Review fees will be charged to the claim file as an allocated expense.

### INFORMATION SERVICES

- |   |   |
|---|---|
| » Real-Time AIM System Access   | No Charge   |
| » Document Images   | No Charge   |
| » Claims Management Reports<br>(See listing and samples of claims reports available on page 51) | No Charge   |
| » Online NOI (Standard)   | No Charge   |
| » Online NOI (Pre-fill)   | \$1,000.00 per year   |
| » Ad Hoc Report Library   | No charge   |
| » Ad Hoc Query Studio   | \$400.00 per login and password (per year)                      |
| » Medicare Reporting  | No charge if MSA contracted vendor is used for all MSA services |
| » Medical EDI   | No Charge   |
| » Claims EDI  | No Charge   |

### OTHER RELATED SERVICES

- |                                      |                                   |
|--------------------------------------|-----------------------------------|
| » Experience Modification Evaluation | No Charge                         |
| » OSHA Reporting                     | No Charge                         |
| » CAT/Property Adjusting             | Please see attached fee schedules |

Johns Eastern  
 Contract pricing 2008-2009-2010  
 Service Agreement

	2008	2009	Renewal
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**Worker's Compensation**

Medcial Only	163	163	<b>160</b>
Lost Time	1,080	1,080	<b>975</b>

<b>Bill Review</b>	5.95	5.95	5.95
	30% of savings	30% of Savings	30% of Savings

**Field Investigation**

Hourly rate	95	95	95
Mileage	0.58	0.58	<b>0.55</b>

**Telephonic Medical Management**

Medical Only	525	750	<b>600</b>
Lost Time	125		<b>125</b>

**Auto**

Bodily Injury	702	695	<b>600</b>
Property	444	450	450
Auto Physical	230	250	250

**General Liability**

Property	444	450	<b>400</b>
Bodily Injury	702	695	695
E&O	955	950	950