

**NOTICE OF REQUEST FOR PROPOSALS
LEWIS COUNTY: ADMINISTRATION OF SELF-INSURED
WORKERS' COMPENSATION PROGRAM**

PURPOSE. Lewis County is seeking proposals for the administration of the County's self-insured workers' compensation program for the period of January 1, 2007 to December 31, 2009 (3 years). Proposals will be accepted until **8:30 a.m. August 28th, 2006**. Contract negotiations are expected to begin in September 2006 and services will commence January 1, 2007. **(This RFP includes 24 pages.)**

Proposal requirements and details may be viewed on our website at www.co.lewis.wa.us. However, further support or assistance on proposal requirements and details may be obtained from Lewis County Risk Management, 360 NW North St., Chehalis, WA, 98532, phone (360) 740-1446, facsimile (360) 740-1446.

The **dated, signed, sealed Proposal** should be marked on the outside as follows:

**Lewis County, Washington
"Proposer's Name"
Workers' Compensation Program
Response to Request for Proposals
Due: August 28th, 2006
8:30 a.m. P.S.T.**

Proposals must be submitted in writing. Other forms such as oral, telephonic, telegraphic, facsimile or other electronically transmitted proposals will not be accepted.

Three (3) copies of your dated, signed, sealed Proposal **must be received by Risk Management** addressed to:

Lewis County Risk Management
Mr. Harry Green, MPA, RMPE
Risk Manager
360 NW North St.
Chehalis, WA 98532

DO NOT FAX OR EMAIL PROPOSALS
DO NOT SEND WITH POSTAGE DUE

Proposals received after **August 28th, 2006 at 8:30 a.m.** will not receive consideration.

Proposers shall assume full responsibility for timely delivery of proposals at the specified

location and time. The County will not be responsible for any cost incurred by the Proposer in preparing and submitting a proposal. Once submitted, all proposals become the property of Lewis County.

Proposals may not be modified, withdrawn or cancelled after the time set for opening or before award of a contract unless award is delayed for a period exceeding ninety (90) days from opening the proposals. Prior to the time and date designated for receipt of proposals, the proposal may be modified or withdrawn by written notice to the County at the place designated for receipt of proposals. Proposals that are withdrawn may be resubmitted up to the date and time designated for the receipt of proposals, provided the revised proposal is in full conformance with the Request for Proposals.

This Request for Proposals does not commit Lewis County to award a contract or pay any costs incurred in the preparation of a proposal in response to this request.

The County reserves the right to reject any or parts of any and all Proposals, to re-advertise this request, to postpone or cancel at any time this Request for Proposals process, or to waive any irregularities in this request or in the proposal(s) received as a result of this request. Also, the determination or criteria and process whereby proposals are evaluated, the decision as to which organization(s) shall receive the contract award, or whether or not an award shall ever be made as a result of this request, shall be at the sole discretion of the County. All decisions of the County are final.

It is the policy of Lewis County to promote Equal Opportunity to all persons in matters affecting, but not limited to, recruitment, employment, compensation benefits, promotions, discipline, transfer and layoff practices without regard to a person's race, color, religion, national origin, marital status, disability, Veteran status, sex or age (except where sex, age or non-disability are bona fide occupational qualifications). This policy extends to all contractors receiving public money for the fulfillment of public contracts with Lewis County.

Published: _____

Publication Requirements: To Be Published in one issue.

Billing Information:

- 1) Copy of Affidavits and Bill to: Lewis County Risk Management
Mr. Harry Green, MPA, RMPE
Risk Manager
360 NW North St.
Chehalis, WA 98532

**REQUEST FOR PROPOSALS
LEWIS COUNTY
ADMINISTRATION OF SELF-INSURED
WORKERS' COMPENSATION PROGRAM**

PURPOSE. Lewis County is seeking proposals for the administration of the County's self-insured workers' compensation program for the period of January 1, 2007 to December 31, 2009 (3 years).

Carefully review this Request for Proposals (RFP) document to assure your complete understanding of the requirements. Any questions should be directed in writing to:

Lewis County Risk Management
Mr. Harry Green, MPA, RMPE
Risk Manager
360 NW North St.
Chehalis, WA 98532
(360) 740-1446
(360) 740-1494 (fax)

All Proposers' questions regarding the Request for Proposals (RFP) must be received in writing by *****8:30 a.m. August 28th, 2006.*****

Addenda, including answered questions, will be provided to all interested Proposers. Questions submitted after the deadline may not receive written addendum responses.

Note: Wherever the term "Proposer" is used in this document, it means a person, firm or entity that submits a proposal and, as to the successful Proposer, the term can be used interchangeably with and be used to mean "successful Proposer" and "Contractor." "The County" means the County of Lewis in Washington State.

Responses submitted by Proposers that do not comply with all of the requirements of this Request for Proposals may be considered non-responsive.

BACKGROUND. Attached to this RFP is a summary of Lewis County's claims history for the past six (6) years. The County's average annual claims volume is forty-three (43) claims, with a ratio of approximately one-third compensation claims to two-thirds medical-only claims.

Lewis County is seeking proposals based on a flat/lump sum fee for claims administration for the first fifty (50) claims per calendar year plus a specified fee for each claim over 50 in any given calendar year. The proposal should also include details of costs for any loss control or outside investigation services the County might request throughout the agreement period, or any other service proposed to be provided by Proposer to the

County. Further, the proposal should detail any cost, if applicable, for assumption of all Lewis County workers' compensation claims.

This proposal shall be based upon the services required, as outlined in the attached specifications.

PROPOSAL REQUIREMENTS

Contents of Proposal. The proposal shall contain, **at a minimum**, the following information:

A. The Proposer shall provide a detailed schedule of fees for the claims management process, including the following:

- (1) Processing of individual claims (including reserve setting);
- (2) Production of financial and loss reports;
- (3) Performance of loss prevention/control services (including industrial hygiene);
- (4) Assumption of management of open claims files at the agreement inception date;
- (5) Continuation of services for open claims at time of expiration of negotiated agreement;
- (6) Cost of transferring records;
- (7) Other services you believe necessary to provide efficient and effective workers' compensation management. (Please specify).

B. Provide responses to the following requests for information about you and/or your firm.

- (1) Provide a brief résumé and organizational chart which details responsibilities and experience of all claim and loss control staff. Identify the person(s) who will be directly responsible to serve Lewis County and its employee needs;
- (2) Provide a brief résumé including experience, qualifications (including state certification), and length of time in present position for the primary and alternate adjudicator/administrator that will be assigned to the Lewis County account if you are the successful Proposer;
- (3) Provide three (3) references of other governmental entities in the state of

Washington for whom your firm is presently providing Workers' Compensation claims management;

(4) Provide a brief description of computer services available to your clients; such as secure networks, client training—loss control, and/or internet services, etc.;

(5) Describe your capability to provide financial reports, check registers, loss and OSHA log reports; indicate the time schedule on which the County would receive month-end, end of quarter and annual data reports. Also, describe your ability to provide special reports as may be requested by your clients;

(6) Identify your database program used to track claims and the ability for Lewis County workers' compensation staff to access data on claims;

(7) Provide copies of customary client reports; and

(8) Describe your ability to support outside bill review agencies.

SCOPE OF SERVICES. The following minimum services are required:

A. With regard to Claims Administration, the following services will be required:

(1) Review all claim or loss reports made by Lewis County of personal injury, illness, disease or death incurred by an employee in the course of his/her employment with Lewis County during the term of proposed agreement, and process each such claim or loss report in accordance with all applicable statutory and administrative requirements (hereinafter referred to as a "qualified claim or loss") while ;

(2) Conduct an investigation of each qualified claim or loss to the extent reasonably necessary;

(3) For each qualified claim or loss, arrange for independent investigators, medical services and/or other experts, with the approval of Lewis County Risk Management, to the extent reasonably necessary to process any qualified claim or loss;

(4) Arrange timely and appropriate payment for medical and/or death benefits and temporary or permanent time loss or disability compensation as required by law or, in any case, if the County specifically approves or directs such payment;

(5) Maintain a timely file for each qualified claim or loss which shall be available for review by Lewis County at any reasonable time;

(6) Provide Lewis County with copies of all medical reports, chart notes, written materials, and correspondence in the possession of Proposer for each claim (this can

be in a physical copy or by electronic access, i.e., database. Database information will be updated promptly, but no later than a week after receipt of information/documents);

(7) Notify excess insurance carriers of all qualified claims or losses which appear to have the potential of exceeding the County's self-insured retention and, if requested, provide such carriers with necessary information on the current status of such claims or losses, to include requesting timely reimbursement;

(8) Make recommendations and assist Lewis County with selection of legal counsel to defend qualified claims or losses;

(9) Assist the County's designated Workers' Compensation legal counsel, if requested, to prepare the defense of litigated cases, to negotiate settlements and to prepare for subrogation or contribution actions;

(10) Monitor the treatment programs recommended for employees by physicians or specialists by reviewing all initial reports prepared by treating physicians and by maintaining such contact with treating physicians, as is appropriate;

(11) Assist Lewis County Risk Management, as requested, to interpret medical reports, to consider the circumstances under which an ill or injured employee, who desires to do so, could return to work in the shortest possible period of time;

(12) Assist Lewis County Risk Management in arranging for rehabilitation or retraining of employees in appropriate cases with the cost of such rehabilitation to be borne by Lewis County;

(13) Maintain a current estimate of the cost of all anticipated losses on each qualified claim or loss;

(14) Utilize computer programs to furnish to the County timely monthly "Claim and Expense Reports" containing the following information:

(a) As to each individual qualified claim or loss beginning with the current agreement period forward and each claim loss from prior agreement periods since inception of self-insured program and/or all information available from present TPA, the date and condensed description of incident, other identifying information, the total payments made during the month and to date, and estimated future costs and total expected cost of claim or loss;

(b) As to all qualified claims or losses beginning with the current agreement period forward and each of several successive prior

agreement periods since inception of self-insured program and/or all information from present TPA, the total number of such claims or losses and summary data as to payments made during the month and to date and the estimated future costs including total expected cost of such claims or losses;

(15) Utilize computer programs to furnish to Lewis County a quarterly "Loss Analysis Report" containing summary data for each of the County's principal work groups as to the total number of claims, total compensation and medical payments made to date during current agreement period, the reserve costs, total expected cost of claims, all categorized by type, nature of incident and part of body involved;

(16) Provide narrative or analytical reports on major litigated cases, if requested by Lewis County Risk Management;

(17) Provide claims forms and other forms appropriate for the efficient operation of the self-insurance program.

B. With regard to medical loss control, the Proposer shall:

(1) Assist the County in connection with selection of physicians recommended for employee treatment especially for long-term or specialty care;

(2) Consult with the County regarding need for independent medical exams.

C. With regard to employee counseling, the Proposer shall:

(1) As directed by the County, provide information to ill or injured employees regarding the benefits available under the self-insurance program;

(2) If requested, consult with employee groups in regard to specific aspects of the self-insurance program;

(3) Assist the County in developing policies and procedures to ensure that an employee's return to work or reassignment is not inconsistent with any findings of an appropriate state administrative agency.

D. With regard to Program Development, the Proposer shall, to the extent appropriate:

(1) Consult with/through Lewis County Risk Manager/Safety Officer on the establishment of and coordination of necessary procedures and practices to meet any applicable state requirements and the needs of the County;

(2) Participate in the orientation of the County's personnel who are directly or

indirectly involved in the processing of workers' compensation claims or losses;

(3) Provide information on changes or proposed changes in legislation, rules and regulations affecting the responsibility of the County;

(4) Review the development of the self-insurance program, no less than annually, with Risk Management staff in order to identify problems and recommend corrective action.

E. With regard to loss control, the Proposer shall provide other services on an as-needed and as-requested basis at an agreed upon cost. (Note: Please specify this cost in your proposal).

F. The Proposer shall also furnish appropriate renewal application forms and shall file all renewal applications and periodic reports required by state administrative agencies to maintain the self-insurance program.

OBLIGATIONS OF LEWIS COUNTY

A. Lewis County will pay the service fee on the basis to be agreed upon at time of bid acceptance and in accordance with an agreement between the parties.

B. Lewis County shall at all times provide funds adequate for the payment of qualified claims or losses and for allocated loss expenses. For this purpose, allocated loss expenses shall mean all costs, charges or expenses of third parties incurred by the administrator, its agents or its employees which are properly chargeable to a qualified claim or loss, including court costs, fees and expenses of attorneys, investigators, experts and witnesses, and fees for reports, documents, diagrams and photographs. Such funds shall be provided at the inception of the self-insurance program and maintained at an appropriate level based on estimates of the administrator, in consultation with County personnel, derived through volume and severity of claims and losses, or as estimated or required by the State of Washington. Lewis County shall have on deposit such funds in an account or accounts established by the County at a bank or institution of its choice. The County shall have the responsibility for care, custody and control of such account or accounts. In addition, the County may elect to maintain excess insurance policies for payment of qualified claims or losses as it may, from time to time, determine.

C. It is understood that the administrator shall not be required to advance its own funds or pay losses or allocated loss expenses hereunder, or to perform any services hereunder if Lewis County fails to provide adequate funds as herein set forth.

OTHER IMPORTANT INFORMATION.

Complete Responses. Proposers shall provide any and all statements in their

proposals that they desire to be included in a final agreement for services. Exceptions to any terms and conditions may be made, at County's option, subject to negotiation. However, the inability to contractually agree to any statement or specification may result in elimination from this proposal process.

Ambiguous Statements. All responses to questions for proposal consideration should be stated as concisely as possible. Ambiguous statements, such as "All reasonable effort to provide" etc., may be grounds to declare your proposal non-responsive.

Preparation And Delivery Costs. The County will not be liable for any cost incurred in the preparation and delivery of the proposal. The Proposer is encouraged to use the most economical means to prepare and deliver the proposal.

Proprietary Information. If a proposal contains information that the Proposer does not wish disclosed to the public, or used for any purpose other than the evaluation of this work, all such information must be submitted with indications on each page that the material is "Proprietary," "Confidential" and/or a "Trade Secret." Lewis County will take reasonable steps within the limitations of Public Disclosure laws to assure that information contained in the proposal will remain confidential throughout the proposal evaluation process.

Note: Lewis County is subject to Public Disclosure laws, and dealings with the County and confidentiality covenants must qualify under this law.

Limitations. This request for proposal does not commit Lewis County to award an agreement or pay any costs incurred in the preparation of a proposal in response to this request.

The County reserves the right to reject any or parts of any and all Proposals, to re-advertise this request, to postpone or cancel at any time this Request for Proposal process, or waive any irregularities in this request or in the proposal(s) received as a result of this request. Also, the determination or criteria and process whereby proposals are evaluated, the decision as to which organization(s) shall receive the agreement award, or whether or not an award shall ever be made as a result of this request, shall be at the sole discretion of the County. All decisions of the County are final.

Agreement Award. The award may be made to the most responsive Proposer taking into consideration quality, performance and time specified in the Proposal for the performance of the agreement. By submitting a proposal in response to this RFP, you are giving permission to the County to investigate your company and background with regard to any matter bearing on the desirability of the County doing business with you. The results of the investigation may be taken into consideration by the County in making its decision.

Agreement Provisions. The selected vendor will enter into an agreement with the County for performance of the work as specified in the RFP and further defined in the Contractor's proposal. Attached hereto and made a part hereof is a draft, partially completed agreement that will be used to engage the successful Proposer. If a Proposer has any question or suggestion as to a modification, deletion or addition of agreement terms, it must be included with the proposal. **Submission of a proposal without mentioning any such proposed modification, deletion or addition shall mean that the Proposer agrees to the terms as proposed.**

The agreement will be governed by the laws of Washington State. The vendor shall comply with all laws including those regarding labor and equal employment opportunity.

Evaluation Of Proposals. Each proposal will be evaluated for responsiveness to the requirements of this Request. The County will form a team responsible for the review and evaluation of the proposals. After an initial review, incomplete or non-responsive proposals may be rejected at the discretion of the County. After a proposal is selected, the County expects to negotiate the details of work to be performed based upon the proposal, the County's needs and this RFP. If negotiations fail, for any reason, including agreement on fees, the County may choose to negotiate with others to obtain an appropriate agreement for the requested services.

The evaluation criteria shall include, but may not be limited to, the following:

1. Completeness and responsiveness of the proposal.
2. The ability of the Proposer to service this account based on the contemplated scope of work and volume of activity.
3. Qualification and experience of Proposer in furnishing the required services, including length of time in business, experience of the individual(s) assigned to this account, and other matters relating to relevant experience.
4. Demonstration of adequate resources to service the account in a timely, accurate manner.
5. The Proposer's anticipated approach to the scope of services required, including compliance with federal, state, and local laws, county ordinances, policies, procedures and requirements, and other related matters.
6. References, either submitted with the proposal or known to the County.
7. Proximity of the Proposer to Lewis County, WA, to allow for close communication throughout the agreement and to support regional business and employment.
8. In evaluating the proposed fees, the County will compare the fees of each Proposer

for the base proposal.

9. Comparing Proposers services and fees to self-administration option.

10. Other information and factors as appropriate.

Terms of the Proposals shall not be modified for a period of (90) days from due date in order to allow time for the County to evaluate and determine which proposal best meets its needs.

Clarifications And Oral Presentations. The County reserves the right to contact Proposers to clarify responses. Subsequent to the initial evaluation by the County, a request for an oral presentation may be made. The County will not be liable for any cost incurred in the preparation and delivery of any oral presentations.

Request For Qualification Preparation. Due care and diligence has been exercised in the preparation of this Request For Proposals and all information contained herein is believed to be substantially correct. However, the responsibility for determining what is necessary for the full extent of the services described in this RFQ rests solely with those making proposals. Neither the County nor its representatives or agents shall be responsible for any error or omission in this request, nor for the failure on the part of the Proposer to determine the full extent of the requirements.

Independent Contractor. It is specifically understood and agreed by and between the parties hereto that in all services performed hereunder, the Proposer is an independent contractor and not an agent or employee of the County. The Proposer shall have the sole obligation to employ, direct, control, supervise, manage, discharge and compensate all of its employees and subcontractors, and the County shall have no control of or supervision over the employees of the Proposer or any of the Proposer's subcontractors. In this regard, the Proposer shall have the sole obligation to secure any and all permits and/or licenses imposed by law, pay any and all charges or fees and give all notices necessary to and incidental to the lawful prosecution of the work hereunder.

The Proposer shall have no authority whatsoever to obligate the County to make any payments to another party nor make any promises or representation of any nature on behalf of the County, without the specific written approval of the County. In the event the County incurs any liability with regard to the matters set forth in these two paragraphs, the Proposer shall indemnify the County and hold it harmless.

Sample Agreement Provisions

The selected vendor will enter into an agreement with the County for performance of the work as specified in the RFP and further defined in the Contractor's proposal. Attached hereto and made a part hereof is a draft, partially completed agreement that will be used to engage the successful Proposer. If a Proposer has any question or suggestion as to an addition, deletion or modification of terms, it must be included with the proposal. **Submission of a proposal without mentioning any such proposed addition, deletion or modification shall mean that the Proposer agrees to the terms as is.**

SERVICE AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____, _____, by and between LEWIS COUNTY, with its principal place of business of 360 NW North St., Chehalis, Washington, and _____, an _____ Corporation (hereinafter referred to as "Third Party Administrator"), with its principal place of business at _____.

WITNESSETH

WHEREAS, LEWIS COUNTY maintains a self-insurance program to cover Workers' Compensation liabilities, and

WHEREAS, THIRD PARTY ADMINISTRATOR submitted a response to a Request for Proposals issued by Lewis County, on or about _____, 2006, and

WHEREAS, Lewis COUNTY, has accepted the proposal, as modified by this agreement, and

WHEREAS, THIRD PARTY ADMINISTRATOR has agreed to perform certain services in connection therewith as herein defined and set forth:

NOW, THEREFORE, it is agreed as follows:

1. This agreement shall commence on January 1, 2007, and shall remain in full force and effect for a period of three (3) years until December 31, 2009.
2. Agreement Documents.
 - a. The parties' agreement consists of the following documents, which are referred to as the "agreement documents:" Bid Proposal, Service Agreement, and Addenda (if any). All of the agreement documents are incorporated herein by this reference.
 - b. The agreement documents are complementary, and what is called for by one shall be as binding as if it were called for by all. Unless the context requires otherwise, any conflict between agreement documents that is not resolved by the preceding sentence shall be resolved by construing the documents according to the following descending order of precedence:
 - (i) Addenda (if any)
 - (ii) Service Agreement
 - (iii) Bid Proposal

3. During the period of this Agreement, Third Party Administrator shall undertake the usual and necessary administrative and supervisory functions in connection with claims made against Lewis County for occupational injuries, illnesses, diseases and deaths during the agreement period, with the exception of those functions waived in writing by Lewis County.
 - a. Third Party Administrator agrees to provide, at its expense, a competent, certified claims adjudicator/administrator and supporting staff as sufficient to supervise and handle Washington Workers' Compensation claims according to the law and rules of the State of Washington, as now enacted and as hereinafter amended during the term of this agreement.
 - b. Third Party Administrator agrees to engage field adjusters in appropriate locations sufficient to reasonably serve the adjusting requirement of Lewis County and to supervise the activities of such adjusters.
 - c. Third Party Administrator agrees to furnish to Lewis County copies of agreed monthly, quarterly and annual on reports claims.
 - d. Third Party Administrator agrees to furnish to Lewis County a weekly check register, with complete detail of all checks to be written on the Lewis County account. The check register will be furnished not later than Tuesday a.m. of each week and checks will not be printed and/or distributed without approval of Lewis County Risk Management. Loss time checks will be mailed in time to arrive by required due date.
 - e. Third Party Administrator agrees that they will request and receive documented approval of Lewis County Risk Management before any single or multiple authorization and/or expenditure in excess of \$5,000 and/or approval for surgery, legal, nurse case management, investigation, vocational services, and the like. Further, the THIRD PARTY ADMINISTRATOR agrees to keep Lewis County Risk Management updated on the status of all claims.
 - f. Third Party Administrator agrees to establish and operate an electronic mail link with Lewis County Risk Management staff.
 - g. Third Party Administrator agrees to provide additional reports detailing what caused specific claims and suggesting ways to reduce organizational exposure. These reports include but are not limited to:
 - Annual OSHA report/information;
 - Which department experiences the highest frequency and severity of claims;

- Total cost per claim and in what cost range most claims occur; and
 - Detail of claims resulting in lost work time where machinery and equipment was a contributing factor.
4. This contract is subject to review by any Federal or State auditor. The County or its designee shall have the right to review and monitor the financial and service components of this program by whatever means are deemed expedient by the County. Such review may occur with or without notice, and may include, but is not limited to, on site inspection by County agents or employees, inspection of all records or other materials which the County deems pertinent to the Agreement and its performance, and any and all communications with or evaluations by service recipients under this Agreement. When necessary, Third Party Administrator shall have an affirmative duty of notify such service recipients of this right to review. The Third Party Administrator shall preserve and maintain all financial records and records relating to the performance of work under this Agreement for 3 years after contract termination, and shall make them available for such review, within Lewis County, State of Washington, upon request.
 5. The adjusting expense assumed on the account of Third Party Administrator contemplates the charges as defined for usual and ordinary activities of field adjusters, but it does not include legal or litigation expense and costs of any kind, nor any other expense customarily charged by insurers as an allocated expense.
 6. In consideration of the services to be performed by Third Party Administrator hereunder, and upon the basis that Lewis County operations will remain substantially as they are at inception of the Agreement, Lewis County agrees to pay the Third Party Administrator a flat, annual fee of \$_____ to handle up to fifty (50) claims for the year January 1, 2007 through December 31, 2009. Lewis County agrees to pay the Third Party Administrator a flat, annual fee of \$_____ to handle up to fifty (50) claims for the year January 1, 2008 through December 31, 2008. Lewis County agrees to pay the Third Party Administrator a flat, annual fee of \$_____ to handle up to fifty (50) claims for the year January 1, 2009 through December 31, 2009. Payments will be made at the beginning of each quarter upon submission of a quarterly billing from the Third Party Administrator. Any claims over fifty (50) per calendar year will be billed at \$_____ per claim regardless of claim type.
 7. All claims information and related files generated by Third Party Administrator as a result of its activity under this plan shall remain at all times the property of Lewis County with the exception of any supporting data generated by Third Party Administrator to make such accountings to Lewis County or excess insurers as are required in the Agreement.
 8. This agreement may be terminated as provided herein:

- A. By either party upon ninety (90) days written notice;
- B. If the Third Party Administrator defaults by failing to perform any of the obligations of the contract or becomes insolvent or is declared bankrupt or commits an act of bankruptcy or insolvency or makes an assignment for the benefit of creditors, the County may, by depositing written notice to the Third Party Administrator in the U. S. mail, postage prepaid, terminate the contract, and at the County's option, obtain performance of the work elsewhere. If the contract is terminated for default, the Third Party Administrator shall not be entitled to receive any further payments under the contract until all work called for has been fully performed. Any extra cost or damage to the County resulting from such default(s) shall be deducted from any money due or coming due to the Third Party Administrator. The Third Party Administrator shall bear any extra expenses incurred by the County in completing the work, including all increased costs for completing the work, and all damage sustained, or which may be sustained by the County by reason of such default;
- C. The County may terminate the contract in whole or in part whenever the County determines, in its sole discretion, that such termination or suspension is in the interests of the County. Whenever the contract is terminated or suspended in accordance with this paragraph, the Third Party Administrator shall be entitled to payment for actual work performed at unit contract prices for completed items of work. An equitable adjustment in the contract price for partially completed items of work will be made, but such adjustment shall not include provision for loss of anticipated profit on deleted or uncompleted work. Termination or suspension of this contract by the County at any time during the term, whether for default or convenience, shall not constitute a breach of contract by the County. Lewis County may reactivate the contract in whole or in part following suspension upon depositing written notice of reactivation to Third Party Administrator in the U.S. mail, said reactivation becoming effective ten (10) days following mailing.

If a notice of termination for default has been issued and it is later determined for any reason that the Third Party Administrator was not in default, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to the Termination for Public Convenience paragraph hereof.

- D. Upon termination of this Agreement, whether by cancellation prior to the end of its term or otherwise, Lewis County or its designated agent shall assume responsibility for adjusting and supervising all open, active, and/or

pending claims files.

9. Third Party Administrator is retained by Lewis County only for the purposes and to the extent set forth in the Agreement, and its relationship to Lewis County shall be that of an independent Third Party Administrator.
10. Third Party Administrator agrees to defend, indemnify and save harmless Lewis County, its appointed and elective officers and employees, from and against all loss or expense, including but not limited to judgments, settlements, attorney's fees and costs by reason of any and all claims and demands upon Lewis County, its elected or appointed officials or employees for damages because of personal or bodily injury, including death at any time resulting therefrom, sustained by any person or persons and on account of damage to property including loss of use thereof, whether such injury to persons or damage to property is due to the negligence of the Third Party Administrator, its subcontractors, successors or assigns, agents, servants, or employees, Lewis County, its appointed or elected officers, employees or their agents, except only such injury or damage as shall have been occasioned by the sole negligence of Lewis County, its appointed or elected officials or employees. It is further provided that no liability shall attach to Lewis County by reason of entering into this contract, except as expressly provided herein or as otherwise required by operation of law upon political subdivisions of the State of Washington.
11. Third Party Administrator agrees to obtain insurance coverage of the kinds and in the minimum amounts specified in Exhibit 1 to this agreement. Third Party Administrator shall maintain such insurance throughout the term of the agreement. All insurance shall be issued by one or more insurers authorized to transact insurance in the State of Washington. The insurer(s) and the policies are subject to the approval of Lewis County. If during the term of the contract the County determines that the insurer or the coverage is inadequate, the Third Party Administrator shall immediately and at its expense obtain replacement and/or additional coverage, as specified by the County.

At or before the time the Third Party Administrator delivers the signed agreement to Lewis County, it shall provide the County with a certificate of insurance establishing compliance with the requirements of this paragraph. Third Party Administrator shall at the same time provide an endorsement in the form provided in Exhibit 2 to this agreement. The endorsement must be signed by an authorized representative of the insurer(s). Any language in the certificate of insurance that conflicts with the provisions of the endorsement must be deleted. Upon request, Third Party Administrator shall promptly furnish the County with the original or a copy of any insurance policy covered by the certificate.

Notwithstanding any other provision on the agreement documents, any failure by the Third Party Administrator to comply with any provision of this paragraph shall

constitute a material breach of contract, entitling the County to immediately suspend or terminate the contract, without any liability to the Third Party Administrator.

Maintaining coverage in the minimum amounts required by this paragraph shall not relieve Third Party Administrator from liability in excess of such coverage. If it appears to the County that judgments, claims, or potential claims against Third Party Administrator may exceed the amount of available insurance, the County may withhold from payments due Third Party Administrator such amounts as the County deems necessary to protect itself from liability.

Exhibits 1 and 2 to this agreement are attached hereto and by this reference incorporated herein.

12. With respect to the performance of this agreement and as to claims against Lewis County, its officers, agents and employees, Third Party Administrator expressly waives its immunity under Title 51 of the Revised Code of Washington, the Industrial Insurance Act, for injuries to its employees and agrees that the obligations to indemnify, defend and hold harmless provided in this agreement extend to any claim brought by or on behalf of any employee of the Third Party Administrator. This waiver is mutually negotiated by the parties to this agreement for valuable consideration.

13. Any notice required or permitted to be given under this Agreement shall be sufficient if given in writing and sent by registered or certified mail to Lewis County or to Third Party Administrator at the following addresses or to any other address of which notice of change is provided in writing:

If to the Third Party Administrator:

If to Lewis County:

Lewis County Risk Management
Harry Green, MPA, RMPE
Risk Manager
360 NW North St.
Chehalis, WA 98532

Copy to:

Michael Golden, Senior DPA
Lewis County Prosecuting Attorney
345 W Main St, 2nd Floor, MS: PRO 01
Chehalis, WA 98532

14. The waiver by Third Party Administrator or Lewis County of the breach of any provision of the Agreement by the other party shall not operate or be construed as a waiver of any subsequent breach by either party or prevent either party thereafter enforcing any such provision.
15. This Agreement sets forth all of the terms, conditions, and agreements of the parties relative to the subject matter hereof and supersedes any and all former agreements with respect thereto; and any and all such former agreements are hereby declared terminated and of no further force and effect upon the execution and delivery hereof. There are no terms, conditions, or agreements with respect thereto, except as herein provided and no amendment or modification of this Agreement shall be effective unless reduced to writing and executed by the parties.
16. Either party may request changes in the Agreement. Any and all agreed modifications shall be in writing, signed by each of the parties, and effective on the latter date of execution by the respective parties.
17. If a court of competent jurisdiction determines any provision of the Agreement to be unenforceable or invalid, the parties hereto agree that all other portions of this Agreement shall remain valid and enforceable.
18. If the Third Party Administrator defaults by failing to perform any of the obligations of the contract or becomes insolvent or is declared bankrupt or commits an act of bankruptcy or insolvency or makes an assignment for the benefit of creditors, Lewis County may, by depositing written notice to the Third Party Administrator in the U. S. mail, postage prepaid, terminate the contract, and at Lewis County's option, obtain performance of the work elsewhere. If the contract is terminated for default, the Third Party Administrator shall not be entitled to receive any further payments under the contract until all work called for has been fully performed. Any extra cost or damage to Lewis County resulting from such default(s) shall be deducted from any money due or coming due to the Third Party Administrator. The Third Party Administrator shall bear any extra expenses incurred by Lewis County in completing the work, including all increased costs for completing the work, and all damage sustained, or which may be sustained by Lewis County by reason of such default.

If a notice of termination for default has been issued and it is later determined for any reason that the Third Party Administrator was not in default, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to the Termination for Public Convenience paragraph hereof.

19. Venue and Choice of Law: In the event that any litigation should arise concerning the construction or interpretation of any of the terms of this Agreement, the venue of such action of litigation shall be in the Superior Court of the State of Washington in and for the County of Lewis. This Agreement shall be governed by the law of the State of Washington. Except as otherwise stated herein, each party shall be responsible for its own attorneys fees.

LEWIS COUNTY, WASHINGTON

THIRD PARTY ADMINISTRATOR

Lewis County Risk Manager (date)

Name of Company

Name and Title (date)

INSURANCE COVERAGE REQUIREMENTS

INDICATES THAT TYPE OF INSURANCE IS REQUIRED		LIMITS OF LIABILITY	
<u>TYPE OF INSURANCE</u>		Each Occurrence	Aggregate
GENERAL LIABILITY			
Comprehensive Form	Bodily Injury	\$1,000,000	\$2,000,000
Premises – Operations	Property Damage	\$1,000,000	\$2,000,000
Explosion & Collapse Hazard			
Underground Hazard			
	<u>OR</u>		
Products/Completed Operations Hazard			
Contractual Insurance	Bodily Injury and Property Damage Combined Single Limit	\$1,000,000	\$2,000,000
Broad Form Property Damage, Incl. Care, Custody Control			
Independent Contractors			
Personal Injury	Personal Injury	\$1,000,000	\$2,000,000
AUTOMOBILE LIABILITY			
Comprehensive Form	Bodily Injury (Each Person)	\$1,000,000	
Owned	Bodily Injury (Each Accident)	\$1,000,000	
Hired	Property Damage OR	\$1,000,000	
Non-Owned	Bodily Injury & Property Damage Combined Single Limit	\$1,000,000	
EXCESS LIABILITY (Over and above automobile and general liability)			
Umbrella Form	Bodily Injury/Property Damage Combined	\$1,000,000 OR	\$2,000,000
Excess Liability Gap Layer		\$1,000,000	\$2,000,000
WORKER'S COMPENSATION and		Title 51 Waiver	
EMPLOYER LIABILITY		_____	
		\$1,000,000	
OTHER			
Builder's All Risk	Amount of Contract Price	\$ _____	
Errors & Omissions (Professional Liability)		\$1,000,000	
Please indicate: Claims-Made Form: _____, Occurrence Form: _____, Extending Reporting Provisions Avail. _____			
The Contractor's insurance company must provide a standard certificate of insurance form showing the above required coverage and modified to conform to the following endorsement and listing Lewis County as additionally insured. The following endorsement must also be signed by the insurer.			

ENDORSEMENT

The undersigned certifies that the policies listed on the attached Certificate of Insurance are hereby endorsed as follows:

1. Lewis County; the Lewis County Board of Commissioners; the individual members of the Lewis County Board of Commissioners; and all other elected or appointed officials and all agents and employees of Lewis County while acting in their capacity as such, shall be named as additional insured, but only as respects the contract between the above insured and Lewis County.
2. This policy(ies) shall be considered as primary insurance and exclusive of any insurance carried by Lewis County, and the insurance evidenced by this certificate shall be exhausted first, notwithstanding the fact that Lewis County may have other valid and collectible insurance covering the same risk.
3. This policy(ies) shall not be canceled or reduced in coverage until after thirty (30) days written notice of such cancellation or reduction in coverage shall have been mailed to certificate holder.

Certified this _____ day of _____, 20__.

By _____
Authorized Representative

Attachment A

Lewis County Six (6) Year Worker's Compensation Claims History

Event Year	Comp Claims	Medical Claims	Allocated Costs and Rehab	Total Claims	Total Costs	Percent
2000	16	34	\$8,268.66	50	\$137,108.60	32% Comp 68% Medical
2001	15	38	\$51,426.15	53	\$167,318.67	28% Comp 72% Medical
2002	11	33	\$71,670.06	44	\$329,879.92	25% Comp 75% Medical
2003	21	25	\$11,419.11	46	\$136,003.43	46% Comp 54% Medical
2004	12	24	\$10,607.64	36	\$258,829.64	33% Comp 67% Medical
2005	12	18	0	30	\$58,398.22	40% Comp 60% Medical
Six Year Average	14.5	28.7		43.2		33.6% Comp 66.4% Medical