

MEETING DATE 2/27/06

AGENDA ITEM Consideration of an Extension to a Professional Services Agreement with Colen & Lee, Inc to Provide Workers' Compensation Claims Administration Services

ATTACHMENTS

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1 Service Agreement with first, second, and third amendments	1 - 17
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ATTACHMENT 1

WORKERS' COMPENSATION SELF-INSURANCE SERVICE AGREEMENT

THIS AGREEMENT is entered into this day of , 1990
between the CITY OF CULVER CITY, hereinafter referred to as the "City "
and COLLEN & LEE INC , a California Corporation, hereinafter referred to
as the "Administrator "

WHEREAS the City has undertaken to self-insure its Workers'
Compensation obligation and

WHEREAS, the Administrator is engaged in the business of
administering Workers' Compensation self-insurance programs, and

WHEREAS, the City desires to retain the services of the
Administrator to administer a Workers' Compensation self-insurance
program, hereinafter referred to as the "Program " for the City,

NOW THEREFORE, the City hereby retains the services of the
Administrator and the Administrator agrees to perform services for the
City under the terms and conditions of this Agreement

1 TERM This Agreement shall become effective as of July 1 1990
and shall continue in effect until terminated by the cancellation
provision set forth herein

2 PERIODIC MEETINGS The Administrator shall meet with City
staff no more than twelve times per year to

- A Assist the City in developing internal procedures
- B Provide orientation and training to City personnel involved in the administration of the Program
- C Discuss specific claims and general trends in the Program

3 ADVISORY SERVICES The Administrator shall provide written advisory bulletins to inform the City of the adoption, amendment or repeal of all statutes, rules and regulations which directly affect the Program

4 REQUIRED FORMS The Administrator shall provide the City with all forms required by the State in connection with the Program

5 COMPLIANCE WITH LAW The Administrator shall administer the Program in full compliance with all laws, rules and regulations governing Workers' Compensation and self-insurance

6 CLAIMS ADMINISTRATION The Administrator shall have the authority and responsibility to provide claims administration services which include

- A Entering claim information on a log and establishing a claim file upon receipt of an injury report
- B Setting and updating reserves
- C Arranging for investigation
- D Determining compensability

- E Preparing and issuing benefit notices and pamphlets
 - F Arranging for medical treatment from specialists as necessary
 - G Initiating and maintaining contact with employees or their attorneys
 - H Monitoring disability status by reviewing medical reports and calling doctors for updates
 - I Auditing and paying medical bills
 - J Paying mileage reimbursement to employees
 - K Paying temporary disability compensation when appropriate to do so or advising the City of the need to adjust payroll records when salary continuation is applicable
 - L Arranging medical exams in conformance with State law to determine whether an employee's medical condition is permanent and stationary and what, if any, permanent disability exists
-
- M Paying permanent disability compensation in accordance with the law
 - N Arranging for attorney representation of the City whenever the need arises, selecting attorneys from a list approved by the City
 - O Monitoring attorneys and assisting them in preparing cases
 - P Auditing and paying legal expenses
 - Q Arranging for vocational rehabilitation services when appropriate
 - R Monitoring vocational rehabilitation consultants and assisting them as necessary
 - S Auditing and paying vocational rehabilitation expenses

- T Attending all hearings that are required by law
- U Preparing and issuing vocational rehabilitation notices
- V Preparing and issuing permanent disability compensation notices
- W Pursuing subrogation when there is a viable third party
- X Notifying the City's excess insurers of all claims which exceed or may exceed the City's self-insurance retention, maintaining liaison between the City and its excess insurers on matters affecting the handling of such claims and arranging for reimbursement to the City of losses in excess of its self-insurance retention
- Y Obtaining settlement authority and negotiating settlement on appropriate claims
- Z Closing claim files when appropriate to do so

7 OBLIGATIONS OF EMPLOYER The City shall

- A Submit all reports of work injury to the Administrator within one day of the City's knowledge of the injury, serializing each report with an ascending incident number
- B Respond to Administrator requests for information and authority within five days of such requests
- C Provide information that is accurate and is in a form specified by the Administrator
- D Grant settlement authority to the Administrator in advance of vocational rehabilitation and legal hearings or be available by phone or in person during those hearings

8 CHECKING ACCOUNT The City and Administrator agree that

A The City shall establish a checking account from which all Workers' Compensation benefits and expenses are to be paid

B The Administrator shall prepare checks and issue those checks directly to payees without delay

C The Administrator shall sign checks with a facsimile check signing machine

D The Administrator shall secure both checks and check signer in a locked room accessible to a limited number of personnel

E The City shall maintain an adequate balance in the checking account to meet all Workers' Compensation obligations without delay

F The Administrator shall order the checks

G The checking account may be used to pay civil penalties in which case the Administrator shall reimburse the City within fifteen days for any amount of the penalty which the Administrator caused

9 STATISTICAL REPORTS The Administrator shall provide monthly statistical reports to assist City management in monitoring the Program These reports shall include, at a minimum

A A monthly loss experience report on or before the fifteenth (15) day of each calendar month, for the preceding month, containing the following information employee's name injury date, closing date, department, location, cause of injury type of injury, days lost from work, OSHA coding, reserves and payments

B A monthly transaction report, on or before the fifteenth (15) day of each calendar month for the preceding month containing the following information check number, transaction date, amount payee, name of employee and claim number

10 REGULATORY REPORTING The Administrator shall prepare all reports required by State regulatory agencies in connection with the Program, including the Self-Insurer's Annual Report required by the Department of Self-Insurance Plans

11 RECORDS The Administrator shall establish and maintain claim files claim logs transaction documents and all other records associated with the Program These records shall be the property of the City and shall be available, on five (5) days notice, for review or for transfer to another custodian Unless this Agreement is cancelled, closed files shall be stored by the Administrator for five (5) years and shall thereafter become the responsibility of the City Upon cancellation of this Agreement, the City shall be responsible for maintaining and storing all records The Administrator shall not dispose of or destroy these records without the prior, written authorization of the City

12 CONSIDERATION The City shall pay the Administrator \$9 521 00 per month for services rendered under this Agreement Once a year after the first year of this Agreement, the Administrator may increase or

decrease the service fee by giving written notice of the change to the City at least sixty (60) days prior to the change

13 ALLOCATED EXPENSES The City shall pay for check printing Index Bureau membership, field investigation, defense attorneys legal costs, remote photocopy, engineering experts, accident reconstruction experts, process service, messenger service, court reporters, vocational rehabilitation consultants structured settlement consultants and translators

14 PENALTIES The Administrator shall be responsible for paying or appealing penalties unless the penalty results from the City's failure to

A Provide an Employee Claim Form to an injured employee within 24 hours of knowledge of the injury

B Date stamp the returned Employee Claim Form

C Provide an Employer's First Report of Work Injury to the Administrator within five days from the date of knowledge of an injury

D Provide a wage statement within ten days from the date of knowledge of an injury where the employee is entitled to less than the maximum temporary disability rate

E Provide information requested by the Administrator within a timely manner

F Provide accurate information to the Administrator

G Follow a written recommendation of the Administrator

15 INDEMNIFICATION The Administrator shall indemnify hold harmless, and defend the City from all claims legal actions losses, expenses, injuries or damages arising out of the Administrator's actual or alleged negligence or intentional wrongdoing incident to the performance of this Agreement except when such claims, legal actions losses, expenses, injuries or damages are due to the sole negligence of the City, its officers, agents or employees

16 INSURANCE The Administrator shall

A Maintain in force at all times General Liability and Errors and Omissions Insurance in the amount of One Million (\$1 000 000) Dollars per occurrence, combined single limit

B Maintain in force at all times a Fidelity Bond in the amount of Five Hundred Thousand (\$500,000) Dollars

C Maintain in force at all times Workers' Compensation Insurance for employees of the Administrator, as required by law

D Notify the City, in writing, thirty (30) days prior to any cancellation or reduction in the above coverages

E Maintain evidence of the above coverages on file with the City throughout the term of this Agreement

17 NOTICES All notices demands, requests, or approvals which are required under this Agreement, or which either the City or the Administrator may desire to serve upon the other, shall be in writing

and shall be conclusively deemed served when delivered personally, or forty eight (48) hours after the deposit thereof in the United States Mail with postage pre-paid

18 CANCELLATION This Agreement may be cancelled by either party giving to the other, in writing notice of its intention to cancel this Agreement at least sixty (60) days prior to the date of termination Upon the date of termination of this Agreement or the date on which records are transferred to another custodian, whichever occurs first, the Administrator shall no longer be responsible for administration of the City's claims

19 PARTIAL INVALIDITY If any provision of this Agreement is held by a competent court to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force and effect

20 GOVERNING LAW The validity of this Agreement and of any of its terms and provisions shall be interpreted pursuant to the Laws of the State of California

21 INTERPRETATION The terms and conditions of this Agreement shall be construed pursuant to their plain ordinary meaning and shall not be interpreted against the maker

22 ATTORNEY FEES If any action at law or equity, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to reasonable attorney fees in addition to any other relief to which it may be entitled

23 ASSIGNMENT The Administrator shall not assign sublet or transfer by operation of law or otherwise any or all of its rights, burdens, duties or obligations of this Agreement without the prior, written consent of the City

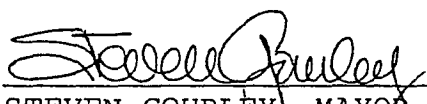
24 CONFLICT OF INTEREST The Administrator agrees not to accept any employment during the term of this Agreement from any other person firm or corporation if that employment is likely to result in a conflict between the interests of the City and the interests of any third parties

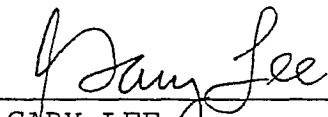
25 ENTIRE CONTRACT This instrument contains the entire Agreement between the parties relating to the rights herein granted and obligations herein assumed Any oral representations or modifications concerning this instrument shall be of no force or effect Subsequent modifications shall be made in writing with the agreement of both parties

EXECUTED at Culver City California, on the date and year first
above written

CITY OF CULVER CITY

COLEN & LEE, INC

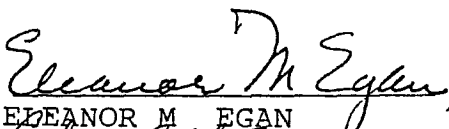
by 
STEVEN GOURLEY, MAYOR

by 
GARY LEE

ATTEST

APPROVED AS TO FORM

by 
PAULINE C. DOLCE
CITY CLERK

by 
ELEANOR M. EGAN
City Attorney

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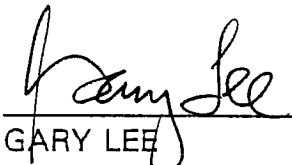
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2 3 The effective date of this Amendment is the date it is
3 signed by the CITY
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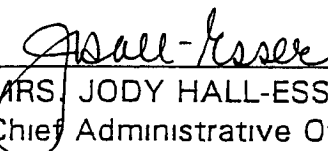
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COLEN AND LEE, INC

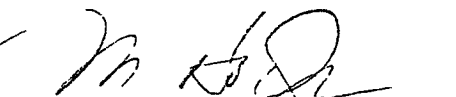
By 
GARY LEE
President

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12 DATED 10/6/97
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CITY OF CULVER CITY

By 
MRS. JODY HALL-ESSER
Chief Administrative Officer

15 APPROVED AS TO CONTENT

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18 MICHAEL R HODGE
Risk Manager

19 DATED 1 Oct 97
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APPROVED AS TO FORM


CAROL SCHWAB
Acting City Attorney

DATED 10/6/97
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am9colen
vl/sm

COPY

1 **SECOND AMENDMENT TO AGREEMENT**
2 **(Worker's Compensation Claims Administration Services)**

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4 **THIS SECOND AMENDMENT** is made and entered into by and between the
5 City of Culver City, hereinafter 'City' and Colen & Lee, Inc , hereinafter 'Administrator'

6 WHEREAS, effective July 1, 1990, City and Administrator entered into an
7 agreement, (the "Agreement") to administer a Workers Compensation Self-Insurance
8 Program, hereinafter referred to as the Program',

9 WHEREAS, effective October 6, 1997, the Agreement was amended to
10 increase the compensation paid by City to Administrator, and

11 WHEREAS, City and Administrator again desire to amend the Agreement to
12 increase the contract amount to be paid

13 NOW, THEREFORE, the parties agree as follows

14 1 Paragraph 12 'Consideration' of the Agreement is hereby amended
15 to read as follows

16 'City' shall pay Administrator a monthly sum of \$13,000 00 for the services
17 rendered under this Agreement from July 1, 2001 through June 30, 2002, \$14,000 for
18 services rendered from July 1, 2002 through June 30, 2003, and \$15,000 for services
19 rendered from July 1, 2003 through June 30, 2004

20 2 Except as expressly set forth, all terms and conditions of the
21 Agreement shall remain in full force and effect

22 3 The effective date of this Amendment is the date it is signed on behalf
23 of the City

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IN WITNESS WHEREOF, the parties hereto have caused their names to

be hereunto subscribed

COLEN AND LEE

BY

Bernard Col
(Signature)

Dated

7/10/02

NAME

TITLE

CITY OF CULVER CITY

BY

Michael Thompson
MICHAEL THOMPSON
~~Acting~~ Chief Administrative Officer

Dated

8/5/02

APPROVED AS TO FORM

By

Carol A Schwab
CAROL A SCHWAB
City Attorney

Dated

7/22/02

APPROVED AS TO CONTENT

By

Michael Hodge
MICHAEL HODGE
Risk Manager

Dated

7/10/02

2001 196(jp/jm)

CITY OF CULVER CITY
THIRD AMENDMENT TO CONTRACT
WITH COLEN & LEE, INC
FOR WORKER S COMPENSATION CLAIMS ADMINISTRATION SERVICES

This Third Amendment to Standard Form Contract is made and entered into by and between the CITY OF CULVER CITY, a municipal corporation, hereinafter referred to as "City," and COLEN & LEE, INC , hereinafter referred to as "Administrator "

WHEREAS, on July 1, 1990, the parties entered into a contract for administration of the Worker's Compensation Self-Insurance Program (the "Agreement"), and amended the Agreement on October 6, 1997 (the "First Amendment"), to increase the amount of compensation, and amended the First Agreement on August 5, 2002 (the "Second Amendment"), to again increase the amount of compensation (hereinafter, the Agreement, the First Amendment and the Second Amendment are collectively referred to as the "Amended Agreement"), and

WHEREAS, the parties desire to modify and amend the term and schedule of compensation of the Amended Agreement, and

WHEREAS, at its meeting of June 28, 2004, the City Council authorized this Third Amendment to the Amended Agreement

NOW THEREFORE, in consideration of the foregoing, City and Administrator mutually agree as follows

- 1 The term of this Third Amendment shall be from July 1 2004 through December 31, 2005
- 2 The Schedule of Compensation shall be amended to increase the monthly compensation for services to Fifteen Thousand Five Hundred Dollars (\$15,500 00) per month for a total not-to-exceed amount of One Hundred Eighty-six Thousand Dollars (\$186,000 00) per year
- 3 Except as expressly set forth herein, all terms and conditions of the Agreement shall remain in full force and effect

4 This Amendment shall be effective on July 1 2004

COLEN & LEE

Dated March 28, 2005 By Brenda Colen

CITY OF CULVER CITY

Dated April 21/05 By Jerry Fulwood
Jerry Fulwood
Chief Administrative Officer

APPROVED AS TO CONTENT

Deborah Fancett
Deborah Fancett
Assistant Chief Administrative Officer / Risk Manager

APPROVED AS TO FORM

Carol A Schwab
for Carol A Schwab
City Attorney

APPROVED AS TO FINANCING

James J Lavery
James J Lavery
City Controller

ATTACHMENT 2

Colen & Lee

January 5 2006

Kermit Francis
Interim Personnel Director
City of Culver City
9770 Culver Boulevard
Culver City California 90232

Re Workers Compensation Claims Administration

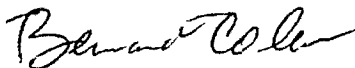
Dear Mr Francis

This letter is being provided in follow up of our discussion in our meeting on December 20, 2005 as well as Mr Kimball's email of December 22, 2005 regarding continuation of claims administration services

We will agree to continue claims administration services at the current monthly rate of \$15,500.00 per month through June 30 2006. Effective July 1 2006 our monthly claims administration fee would increase by 4% to \$16,120.00 per month and we would guarantee this fee through December 31 2006.

All other terms and conditions of the workers compensation service agreement would remain in full force and effect.

Sincerely,



Bernard Colen
President

BC/s

Copy Nick Kimball Management Analyst City of Culver City

Colen & Lee

February 21 2006

Kermit Francis
Interim Personnel Director
City of Culver City
9770 Culver Boulevard
Culver City California 90232

Re Workers Compensation Claims Administration

Dear Mr Francis

This letter is being provided in follow up of my discussion with Nick Kimball this morning as well as his email of February 20 2006 regarding guaranteeing claims administration service fees at \$16 120 00 per month through June 30 2007

We will agree to continue claims administration services at the monthly rate of \$16 120 00 per month through June 30 2007

All other terms and conditions of the workers compensation service agreement would remain in full force and effect

Sincerely



Bernard Colen
President

BC/s

Copy Nick Kimball Management Analyst City of Culver City