

AGREEMENT
S21-026 CLAIMS ADMINISTRATION SERVICES

THIS AGREEMENT (the “Agreement”) is entered on _____, 2022 (the “Effective Date”), by and between Prince George’s County, Maryland, a body corporate and politic (the “County”) and Sedgwick Claims Management Services, Inc. (the “Contractor”), with the principal business address at 6100 Tennyson Parkway, Suite 230, Plano, TX 75024-6104.

RECITALS

WHEREAS, the County issued Request for Proposal Number S21-026, Claims Administration Services (the “RFP”), soliciting the services of a contractor to perform claims administration services (the “Required Services”); and

WHEREAS, in response to the RFP, the Contractor submitted a technical proposal to the County dated May 10, 2021, and submitted cost proposals to the County dated May 7, 2021, and February 4, 2022, offering to provide the Required Services; and

WHEREAS, both parties are willing to and do hereby, enter into this Agreement for the Required Services.

WITNESSETH, that for and in consideration of their mutual promises and agreements as herein set forth, and other good and valuable consideration, the receipt of which is hereby acknowledged by the parties, it is agreed between the Contractor and the County as follows:

1) **Contract Documents**: The agreement between the parties (the “Agreement”) is set forth in the documents listed below, which are attached hereto, incorporated herein by reference, and shall be collectively referred to as the “Contract Documents.” In the event of a conflict between the terms and conditions of any of the Contract Documents, the controlling terms and conditions shall be in the order of the Contract Documents listed below:

- A. This Agreement;
- B. The County’s Request for Proposal Number S21-026, Claims Administration Services, issued March 5, 2021, and any Addenda and attachments referenced therein;
- C. Contractor’s Technical Proposal dated May 10, 2021, and Best and Final Offer Cost Proposal dated February 4, 2022, and any attachments referenced therein (collectively, the “Proposal”); and

Both parties are bound to and will abide by all terms and conditions of the Contract Documents.

2) **Scope of Work**: Contractor shall provide third party administration services for workers’ compensation, auto, third party liability and property claims for a five (5) year period, with an option to extend the Contract for up to five (5) additional one (1) year periods upon satisfactory performance of the Offeror, and mutual agreement of the County and the Offeror. The Offeror shall also be responsible for administering the Prince George’s County Board of Education Auto Liability Fund, which is a separate self-insured fund of the Prince George's County Board of Education.

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3) **Compensation:** The County shall pay Contractor for the scope of work provided in accordance with the prices set forth in the Contractor's Best and Final Offer Cost Proposal dated February 4, 2022.

4) **Term of Contract:** The initial term of this Agreement shall be effective for five (5) years from the date of contract execution, with five (5) additional one-year options to renew, upon mutual agreement of both parties.

5) **Insurance Requirement:** The contractor shall provide the County with evidence of its contractor's commercial insurance coverages for the following exposures:

WORKER'S COMPENSATION: An insurance policy complying with the requirements of the statutes of the jurisdiction(s) in which the work will be performed, and if there is any exposure to the contractor or any of the contractor's personnel due to the U.S. Longshoremen's and Harbor Workers' Act, Jones Act, Admiralty Laws or the Federal Employers' Liability Act, the contractor will provide coverage for these exposures on an "if any basis." The coverage under such an insurance policy or policies shall have limits not less than:

<u>Worker's Compensation:</u>	<u>Statutory Limit's</u>
Employer's Liability: Each Accident	\$500,000
Disease Policy Limits	\$500,000
Disease - Each Employee	\$500,000

COMMERCIAL GENERAL LIABILITY INSURANCE (CGL): An insurance policy covering the liability of the contractor for all work or operations under or in connection with this project; and all obligations assumed by the contractor under this contract. Products, Completed Operations and Contractual Liability must be included, in addition to coverage for explosion, collapse, and underground hazards, wherever required.

The coverage under such an insurance policy or policies shall have limits not less than:

BODILY INJURY AND PROPERTY DAMAGE LIABILITY	\$1,000,000 / \$3,000,000 per occurrence / aggregate
PREMISES MEDICAL PAYMENTS	\$5,000
FIRE LEGAL LIABILITY	\$1,000,000
MISCELLANEOUS PROFESSIONAL LIABILITY	\$1,000,000
PERSONAL INJURY/ADVERTISING	\$1,000,000 or combined single limit not less than \$1,000,000

Prince George's County, Maryland must be included as an additional insured under the general liability insurance coverage with respect to activities related to this contract.

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AUTOMOBILE LIABILITY INSURANCE: An insurance policy covering the use of all owned, non-owned, hired, rented or leased vehicles bearing license plates appropriate for the circumstances for which they are being used, as required by the Motor Vehicle Laws of the District of Columbia, Maryland or Virginia, and not covered under the contractor's aforementioned Commercial General Liability Insurance.

The coverage under such an insurance policy or policies shall have limits not less than:

BODILY INJURY AND PROPERTY DAMAGE LIABILITY
(Vehicle Liability)
\$1,000,000 Combined Single Limit

In addition, "Prince George's County, Maryland" Shall be designated as the Certificate Holder and as an Additional Insured of the Certificate of Insurance.

Contract employees are not permitted to operate any vehicle owned by Prince George's County Government whether in commission of the contract or outside of same.

PROFESSIONAL REEORS AND OMISSIONS LIABLILTY INSURANCE: A separate insurance policy to pay on behalf of the Contractor all costs the Contractor shall become legally obligated to pay as damages due to any claim caused by any negligent act, error or omission of the Contractor or any other person for whose acts the Contractor is legally liable arising out of the performance under this SCOPE WORK. The coverage under such an insurance policy shall have a limit of liability not less than \$1,000,000 per claim.

SPECIAL PROVISIONS FOR INSURANCE:

(1) The contractor shall forward to the County, Office of Risk Management a certificate(s) of insurance indicating the insurance and any special provisions required under the foregoing provisions. Such certificate(s) shall be in a form satisfactory to the County and shall list the various coverages and limits. Insurance companies providing the coverage must be acceptable to the County, rated by A.M. Best and carry at least an "A" Rating VII. In addition to the aforementioned provisions, such insurance policies shall not be changed or canceled and shall be automatically renewed upon expiration and continued in full force and effect until completion and acceptance of all work covered by the contract, unless the County's Office of Risk Management is given 30 days written notice before any change or cancellation is made effective. If requested, the contractor shall directly furnish the Risk Management Office with a certified copy of each insurance policy upon request.

(2) The initial and subsequent certificates of insurance shall include a description of the contract work and the assigned contract number. Prior to beginning any project work, the insurance requirements as outlined by the Risk Management Office must be approved in writing.

(3) All insurance shall be procured from insurance or indemnity companies acceptable to the County and Licensed and authorized to conduct business in the District of Columbia, State of Maryland and Commonwealth of Virginia. The County's approval or failure to disapprove insurance furnished by the contractor shall not release the Contractor of full responsibility for

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liability for damage and accidents.

(4) If at any time the above required insurance policies should be canceled, terminated or modified so that the insurance is not in full-force and effect as required herein the County reserves the right to terminate this contract.

(5) The contractor shall require each subcontractor, at all tiers, to provide evidence of insurance coverage specified herein and such evidence of coverage shall be provided to the County Risk Management Office prior to commencement of work. Such coverage shall remain in full force and effect during the performance of activities under this contract.

(6) In the event the required certificates of insurance as specified herein are not furnished prior to the execution of the contract, the contractor shall not be permitted to enter upon the property to perform the duties outlined in the contract until all required insurance certificates or evidence of self-insurance has been received.

(7) The contractor shall, prior to contract execution, and for each extension of the contract, furnish to the Purchasing Agent certificates of insurance as evidence of such insurance coverage stated above. Such insurance certificates shall provide that the Purchasing Agent be notified in writing by the insurer at least 30 days prior to cancellation or material change of any such coverage.

The certificate of insurance should be sent to:

Prince George's County Maryland
Office of Central Services
Contract Administration and Procurement Division
1400 McCormick Drive, Suite 200
Largo, Maryland 20774

8) **Non-Appropriation:** In the event that sufficient funds are not appropriated for the payment of the goods or services under this Agreement, the County may terminate this Agreement at the end of the last fiscal year or earlier date for which an appropriation is available, and the County will not be obligated to make payments beyond the last date for which an appropriation is available. The County agrees to deliver written notice to the Contractor of such termination no later than ten days after the County has knowledge that an appropriation will not be available. The failure to give the notice will not extend this Agreement beyond such fiscal year or affect the termination of this Agreement pursuant to this Section. Upon termination of this Agreement for non-appropriation, the County will pay for all goods and services provided under this Agreement up to the date of termination. However, Contractor shall not be reimbursed for any anticipatory profits that have not been earned up to the date of termination and shall not be entitled to any damages or costs associated with such termination. Upon the payment of such proceeds to the Contractor, all obligations of the County under this Agreement requiring the expenditure of money will cease.

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9) **Termination For Convenience:** The performance of work under this Agreement may be terminated by the County upon thirty (30) days prior written notice, or such time as mutually agreeable to the parties, in accordance with this clause in whole, or from time-to-time in part, whenever the Count's Purchasing Agent shall determine that such termination is in the best interest of the County. The County will pay all reasonable costs associated with this Agreement, which the Contractor has incurred up to the date of termination. However, Contractor shall not be reimbursed for any anticipatory profits up to the date of termination and shall not be entitled to any damages or costs associated with such termination. The Contractor shall not be reimbursed for any anticipatory profits that have not been earned up to the date of termination.

10) **Termination For Default:** If either party fails to fulfill its obligations under the Agreement properly and on time or otherwise violates any provision of this Agreement, the other party may terminate the Agreement by written notice to that party. The written notice shall specify the acts or omissions relied on as cause for termination. All furnished services provided by Contractor shall, at the County's option, become the County's property. The County shall pay Contractor fair and equitable compensation for satisfactory performance prior to receipt of notice of termination, less the amount of damages caused by Contractor's breach. If the damages are more than the compensation payable to Contractor, Contractor shall remain liable after termination and the County may affirmatively collect damages or deduct from monies due Contractor on this or other County contracts. Damages may include excess re-procurement costs.

11) **Notices:** All notices, requests, reports, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given: (i) immediately upon receipt if hand-delivered in accordance with the notice provisions of this Agreement; (ii) on the day after delivery to a nationally recognized overnight courier service, or (iii) on the fifth day after mailing, if mailed to the party to whom such notice is to be given, by registered or certified U.S. mail, return receipt requested, and, in all cases, if prepaid and properly addressed as follows:

To County: Purchasing Agent
 Office of Central Services
 1400 McCormick Drive, Suite 336
 Largo, MD 20774

With Copies to: County Attorney
 Office of Law, Room 5121
 1301 McCormick Drive
 Largo, Maryland 20774

To Contractor: President
 Sedgwick Claims Management Services, Inc.
 6100 Tennyson Parkway, Suite 230, Plano, TX 75024-6104

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12) **Release of Information:** Contractor acknowledges that information it obtains from County in connection with any service it provides under the terms of this Agreement may be confidential. Contractor agrees that it will maintain the confidentiality of such information in accordance with its normal procedures for safeguarding customer information. During the term of this Agreement, Contractor may not release any information related to the services or performance of services under this Agreement, nor publish any reports or documents relating to the County, the account, or performance of services under this Agreement, without prior written consent of the County; except, however, Contractor may disclose information (i) that the County has approved by prior writing for disclosure; (ii) that is disclosed to its professional advisors or auditors; (iii) that becomes public other than through a breach of these confidentiality obligations; (iv) that was in its possession or available to it from a third party prior to its receipt of it in connection with any service; (v) which is obtained by it from a third party who is not known by it to be bound by a confidentiality agreement with respect to that information; (vi) as required or requested by any securities exchange or regulatory body to which it is subject to or submits; or (vii) as otherwise required to be disclosed by law or by legal or governmental process.

13) **No Waivers:** No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

14) **Non-Assignability:** This Agreement shall be deemed personal to the parties hereto and shall not be assigned, delegated or subcontracted without the prior written consent of the County.

15) **Contract Dispute Resolution:** All claims and disputes arising under this Agreement shall be handled in accordance with Sections 10A-104 and 10A-107 of the Prince George's County Code.

16) **Status of Parties:** The relationship of the parties to this Agreement is one of independent contractors and no partnership or joint venture is intended to be created. No party shall represent itself as the agent or employee of any other party.

17) **Compliance with Law:** Contractor shall comply with all applicable laws, orders and codes of the federal, state and local governments as they pertain to this Agreement.

18) **Findings Confidential:** Unless otherwise required by law, all of the reports, documents, information, data, materials, etc., provided to, received by, prepared by or assembled by the Contractor under this Agreement are owned by the County, confidential, and the same shall not be made available to any individual or organization without the prior written approval of the County.

19) **Governing Law\Venue\Severability:** This Agreement and the rights and obligations of the parties shall be governed by and construed in accordance with the laws of

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Prince George's County and the State of Maryland, without regard to its conflicts of law principles. Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement shall be brought in any federal or state court located in the State of Maryland, and each of the parties hereby consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient forum.

20) **Construction:** This Agreement shall not be construed against the party preparing it but shall be construed as if the parties jointly prepared it and any uncertainty or ambiguity shall not be interpreted against any party. If any term or other provision herein is found to be unenforceable, invalid or illegal, such term or provision shall be deemed deleted from this Agreement, and the remainder of this Agreement shall not be affected or impaired thereby.

21) **Authority:** Each party represents and warrants that it is fully authorized to enter into the terms and conditions of, and to execute and be bound by, this Agreement. The parties agree to use their best efforts promptly to execute and to effectuate the terms provided for herein. In addition, each person whose signature appears hereon warrants and guarantees that he/she has been duly authorized and has full authority to execute this Agreement.

22) **Binding Effect:** This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

23) **Recitals:** The Recitals are expressly incorporated herein by reference.

24) **Entire Agreement:** This Agreement incorporates the entire understanding of the parties hereto and supersedes any and all prior agreements or understandings (written or oral) relating to the subject matter hereof. This Agreement can only be modified in a writing signed by duly authorized representatives of both parties hereto.

25) **Counterparts:** This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

26) **Project Coordinator:** The Prince George's County Department of Corrections will designate a Project Coordinator who shall be the liaison between the County and the Contractor during the term of this Agreement and who shall be responsible for overseeing the successful and harmonious completion of this Agreement.

[Signature Page Follows]

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date written below.

**SEDGWICK CLAIMS MANAGEMENT
SERVICES, INC.**

By: _____
Name: _____
Title: _____

**PRINCE GEORGE'S COUNTY,
MARYLAND**

By: _____
Tara H. Jackson, Chief Administrative Officer

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