

CONSULTANT: Aon Consulting, Inc.
CONTACT PERSON: Doris Holzer, Vice President
ADDRESS: 1420 5th Avenue, Suite 1200
Seattle, WA 98101-1128
FEDERAL TAX ID NUMBER/U.B.I. NUMBER: 22-2232264
TELEPHONE NUMBER: 206/467-4607
COUNTY DEPT: Finance
DEPT. CONTACT PERSON: Debbi Mock, Sr. Budget & Benefits Analyst
TELEPHONE/FAX NUMBER: 425/388-3450
PROJECT: Employee Benefits Consultant
AMOUNT: NTE \$605,299
FUND SOURCE: 508.5127304621
CONTRACT DURATION: September 18, 2020 through August 31, 2024
unless extended or renewed pursuant to
Section 2 hereof

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT (the “Agreement”) is made by and between SNOHOMISH COUNTY, a political subdivision of the State of Washington (the “County”) and Aon Consulting, Inc., a New Jersey corporation (the “Contractor”). In consideration of the mutual benefits and covenants contained herein, the parties agree as follows:

1. Purpose of Agreement; Scope of Services. The purpose of this Agreement is for the Contractor to provide the County with health benefits insurance brokerage, actuarial, and advisory services. The scope of services is as defined in Schedule A attached hereto and by this reference made a part hereof. This Agreement is the product of County RFP No. 015-20BC.

The services shall be performed in accordance with the requirements of this Agreement and with generally accepted practices prevailing in the western Washington region in the occupation or industry in which the Contractor practices or operates at the time the services are performed. The Contractor shall perform the work in a timely manner and in accordance with the terms of this Agreement. Any materials or equipment used by the Contractor in connection with performing the services shall be of good quality. The Contractor represents that it is fully qualified to perform the services to be performed under this Agreement in a competent and professional manner.

The Contractor will prepare and present status reports and other information regarding performance of the Agreement as the County may request.

2. Term of Agreement; Time of Performance. This Agreement shall govern services from September 18, 2020, (the “Effective Date”) through August 31, 2024, PROVIDED, HOWEVER, that the term of this Agreement may be extended or renewed for up to two (2) additional two (2) year terms, at the sole discretion of the County, by written notice from the County to the Contractor.

3. Compensation.

a. Services. The County will pay the Contractor for services as and when set forth in Schedule B, which is attached hereto and by this reference made a part of this Agreement.

b. Overhead and Expenses. The Contractor’s compensation for services set forth in Section 3a above includes overhead and expenses and no separate claims for reimbursement of overhead or expenses will be allowed under this Agreement unless otherwise agreed upon in writing.

c. Invoices. The Contractor shall submit to the County a properly executed invoice as provided in Exhibit B and the amount of the flat fee due from the County. Subject to Section 8 of this Agreement, the County will pay the invoice within thirty (30) calendar days of receipt. Interest at nine percent (9%) per year will accrue after the invoice due date until payment is received. If County requests that Aon pay outside suppliers on County’s behalf, a ten percent (10%) administrative service charge will be added to the amount paid to Aon.

d. Payment. The County’s preferred method of payment under this contract is electronic using the County’s “e-Payable” system with Bank of America. The Contractor is highly encouraged to take advantage of the electronic payment method.

In order to utilize the electronic payment method, the Contractor shall email SnocoEpayables@snoco.org and indicate it was awarded a contract with Snohomish County and will be receiving payment through the County’s e-Payable process. The Contractor needs to provide contact information (name, phone number and email address). The Contractor will be contacted by a person in the Finance Accounts Payable group and assisted with the enrollment process. This should be done as soon as feasible after County award of a contract or purchase order, but not exceeding ten (10) business days.

Department approved invoices received in Finance will be processed for payment within seven calendar days for e-Payable contractors. Invoices are processed for payment by Finance two times a week for contractors who have selected the e-Payable payment option.

In the alternative, if the Contractor does not enroll in the electronic (“e-Payable”) payment method described above, contract payments will be processed by Finance with the issuance of paper checks or, if available, an alternative electronic method. Alternative payment methods, other than e-Payables, will be processed not more than 30 days from receipt of department approved invoices to Finance.

THE COUNTY MAY MAKE PAYMENTS FOR PURCHASES UNDER THIS CONTRACT USING THE COUNTY’S VISA PURCHASING CARD (PCARD).

No advance payment shall be made for the goods or services furnished by Contractor pursuant to this Contract.

e. Payment Method. In addition to Payment section above, the County may make payments for purchases under this contract using the County's VISA purchasing card (PCARD). Are you willing to accept PCARD payments without any fees or surcharges?
Yes No

f. Contract Maximum. Total charges under this Agreement, all fees and expenses included, shall not exceed \$605,299 for the initial term of this Agreement (excluding extensions or renewals, if any).

4. Independent Contractor. The Contractor agrees that Contractor will perform the services under this Agreement as an independent contractor and not as an agent, employee, or servant of the County. This Agreement neither constitutes nor creates an employer-employee relationship. The parties agree that the Contractor is not entitled to any benefits or rights enjoyed by employees of the County. The Contractor specifically has the right to direct and control Contractor's own activities in providing the agreed services in accordance with the specifications set out in this Agreement. The County shall only have the right to ensure performance. Nothing in this Agreement shall be construed to render the parties partners or joint venturers.

The Contractor shall furnish, employ and have exclusive control of all persons to be engaged in performing the Contractor's obligations under this Agreement (the "Contractor personnel"), and shall prescribe and control the means and methods of performing such obligations by providing adequate and proper supervision. Such Contractor personnel shall for all purposes be solely the employees or agents of the Contractor and shall not be deemed to be employees or agents of the County for any purposes whatsoever. With respect to Contractor personnel, the Contractor shall be solely responsible for compliance with all rules, laws and regulations relating to employment of labor, hours of labor, working conditions, payment of wages and payment of taxes, including applicable contributions from Contractor personnel when required by law.

Because it is an independent contractor, the Contractor shall be responsible for all obligations relating to federal income tax, self-employment or FICA taxes and contributions, and all other so-called employer taxes and contributions including, but not limited to, industrial insurance (workers' compensation). The Contractor agrees to indemnify, defend and hold the County harmless from any and all claims, valid or otherwise, made to the County because of these obligations.

The Contractor assumes full responsibility for the payment of all payroll taxes, use, sales, income, or other form of taxes, fees, licenses, excises or payments required by any city, county, federal or state legislation which are now or may during the term of the Agreement be enacted as to all persons employed by the Contractor and as to all duties, activities and requirements by the Contractor in performance of the work under this Agreement. The Contractor shall assume exclusive liability therefor, and shall meet all requirements thereunder pursuant to any rules or regulations that are now or may be promulgated in connection therewith.

5. Ownership.

a. Contractor has created, acquired or otherwise has rights in, and may, in connection with the performance of Services hereunder, employ, provide, modify, create, acquire or otherwise obtain rights in, various concepts, ideas, methods, methodologies, procedures, processes, know-how, and techniques (including, without limitation, function, process, system and data models); templates; software systems, user interfaces and screen designs; general purpose consulting and software tools; websites; benefit administration systems; and data, documentation, and proprietary information and processes (“Contractor Information”).

b. All right, title and interest in and to any data, information and other materials furnished to Contractor by County hereunder (“County Information”) are and shall remain County’s sole and exclusive property. County grants to Contractor a license to use such County Information to provide the Services. Except as provided below, upon full and final payment to Contractor hereunder, any Contractor work product which the parties expressly agree is created solely and exclusively to be owned by County (the “Deliverables”), if any, shall become the property of County. To the extent that any Contractor Information is contained in any of the Deliverables, subject to the terms of this Agreement, Contractor hereby grants to County a paid-up, royalty-free, nonexclusive license to use such Contractor Information solely for County’s internal use in connection with the Deliverables.

c. To the extent that Contractor utilizes any of its property, including, without limitation, the Contractor Information, in connection with the performance of Services, such property shall remain the property of Contractor and, except for the limited license expressly granted in the preceding paragraph, the County shall acquire no right or interest in such property. County will honor Contractor copyrights, patents, and trademarks relating to Services, Deliverables and Contractor Information, and will not use Contractor’s name or other intellectual property without Contractor’s prior written consent.

d. Provided that County promptly notifies Contractor of a claim that the Contractor Information infringes a presently issued U.S. patent or copyright, Contractor will defend such claim at its expense and will indemnify County for any costs and damages that may be awarded against County in connection with such claim. Contractor will not indemnify County, however, if the claim of infringement results from (i) use of other than the most recent version of the Contractor Information made available to County by Contractor; (ii) County’s alteration of the Contractor Information; (iii) use of any Contractor Information in combination with other software not provided by Contractor; or (iv) improper use of Contractor Information.

e. Nothing contained in this Agreement will prohibit Contractor from using any of its general knowledge or knowledge acquired under this Agreement (excluding County’s Confidential Information) to perform similar services for others.

6. Changes. No changes or additions shall be made in this Agreement except as agreed to by both parties, reduced to writing and executed with the same formalities as are required for the execution of this Agreement.

7. County Contact Person. The assigned contact person (or project manager) for the

County for this Agreement shall be:

Name: Debbi Mock
Title: Sr. Budget and Benefits Analyst
Department: Finance
Telephone: (425) 388-3450
Email: <debbi.mock@snoco.org>

8. County Review and Approval. When the Contractor has completed any discrete portion of the services, the Contractor shall verify that the work is free from errors and defects and otherwise conforms to the requirements of this Agreement. The Contractor shall then notify the County that said work is complete. The County shall promptly review and inspect the work to determine whether the work is acceptable. If the County determines the work conforms to the requirements of this Agreement, the County shall notify the Contractor that the County accepts the work. If the County determines the work contains errors, omissions, or otherwise fails to conform to the requirements of this Agreement, the County shall reject the work by providing the Contractor with written notice describing the problems with the work and describing the necessary corrections or modifications to same. In such event, the Contractor shall promptly remedy the problem or problems and re-submit the work to the County. The Contractor shall receive no additional compensation for time spent correcting errors, provided such errors are not the result of incorrect, inaccurate or incomplete information provided by County. Payment for such portion of any work that is erroneous will not be made until the work is accepted by the County. The Contractor shall be responsible for the accuracy of work even after the County accepts the work, except to the extent that such work relies upon information or data provided by County that is incorrect, inaccurate or incomplete.

If the Contractor fails or refuses to correct the Contractor's work when so directed by the County, the County may exercise any remedy available to it at law or equity.

9. Subcontracting and Assignment. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of County and Contractor. The Contractor shall not subcontract, assign, or delegate any of the rights, duties or obligations covered by this Agreement without prior express written consent of the County which consent shall not be unreasonably withheld or delayed, except that Contractor may assign its rights and obligations to an affiliate entity controlled by, controlling, or in common control with it.

10. Records and Access; Audit; Ineligible Expenditures. The Contractor shall maintain adequate records to support billings. Said records shall be maintained for a period of seven (7) years after completion of this Agreement by the Contractor. The County or any of its duly authorized representatives shall have access at reasonable times to any books, documents, papers and records of the Contractor which are directly related to this Agreement for the purposes of making audit examinations, obtaining excerpts, transcripts or copies, and ensuring compliance by the County with applicable laws. Expenditures under this Agreement, which are determined by audit to be ineligible for reimbursement and for which payment has been made to the Contractor, shall be refunded to the County by the Contractor.

11. Liability/Indemnification.

a. Indemnification

i) Subject to Section 11(b), Contractor shall defend, indemnify and hold County harmless from and against any and all damages, losses, liabilities, and expenses (including reasonable attorneys' fees and expenses) (collectively, a "Loss" or "Losses") arising from Contractor's failure to comply with the applicable terms and conditions of this Agreement (regardless of whether such Loss is based on breach of contract, tort, strict liability, breach of warranty, failure of essential purpose, statutory liability or otherwise).

ii) Subject to Contractor's indemnity obligations in Sections 5(d), County shall indemnify, defend, and hold Contractor harmless from and against any and all Losses arising from (i) claims made by third parties, including, without limitation, County's employees, affiliates, and plans with respect to the Services provided hereunder, or (ii) County's failure to comply with the applicable terms and conditions of this Agreement, including without limitation, any infringement of Contractor Information by County in violation of Section 5 or any breach by County of the confidentiality provisions of Section 23.

iii) Any claim under this Section 8 must be asserted before the date that is three (3) years following the act or omission giving rise to the claim

b. Liability

i) If County suffers Losses (regardless of whether such Loss is based on breach of contract, tort, strict liability, breach of warranties, failure of essential purpose, statutory liability or otherwise) as a result of Contractor's breach of its obligations hereunder with respect to services performed pursuant to a Schedule, Contractor will be liable to County for Losses incurred by County during each sequential 12-month period in which the applicable Schedule is in effect, commencing as of the first day of the provision of services thereunder ("Schedule Year") up to an amount equal to five times the total fees paid or to be paid for such Schedule Year under the applicable Schedule.

ii) The limitations on Contractor's liability contained in Section 9(a) will not apply to Losses arising from: (i) Contractor's willful, fraudulent or criminal misconduct; (ii) Contractor's breach of the confidentiality provisions of this Agreement resulting in unauthorized use, access or disclosure of Confidential Information; (iii) bodily injury, including death, or damage to tangible personal or real property incurred while Contractor is performing the Services and to the extent caused by the negligent or willful acts or omissions of Contractor's personnel or agents in performing the Services; or (iv) the infringement of the proprietary rights of a third party by use of the Contractor Information contemplated hereunder.

iii) In no event will either party be liable to the other party for incidental, consequential, special, or punitive damages (including loss of profits, data, business or goodwill, or government fines, penalties, taxes, or filing fees), regardless of whether such liability is based on breach of contract, tort, strict liability, breach of warranty, failure of essential purpose, statutory liability or otherwise, and even if advised of the likelihood of such damages.

iv) Notwithstanding the foregoing, as applicable to the County and the Services, Contractor will not be liable to County for any amounts for which County or any of its employee benefits plans would have been responsible to pay irrespective of any act, error or omission by Contractor, including interest adjustments. The parties agree that each party's

obligation to indemnify the other pursuant to this Section 9 is subject to each party's agreement to use reasonable efforts to mitigate its own, as well as the other party's, liability, damages, and other losses suffered in connection with and arising out of this Agreement.

v) To the extent permitted by law, all claims and Losses between the Parties relating to, directly or indirectly, or arising from this Agreement (including the Services), however caused, regardless of the form of action and on any theory of liability, including contract, strict liability, negligence or other tort, shall be brought under this Agreement and shall be subject to the terms of this Agreement.

The indemnification, protection, defense and save harmless obligations contained herein shall survive the expiration, abandonment or termination of this Agreement.

Nothing contained within this provision shall affect or alter the application of any other provision contained within this Agreement.

12. Insurance Requirements. The Contractor shall procure by the time of execution of this Agreement, and maintain for the duration of this Agreement, (i) insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the services hereunder by the Contractor, its agents, representatives, or employees, and (ii) a current certificate of insurance and blanket additional insured endorsement when applicable.

a. General. Each insurance policy shall be written on an "occurrence" form, except that Professional Liability, Errors and Omissions coverage, if applicable, may be written on a claims made basis. If coverage is approved and purchased on a "claims made" basis, the Contractor warrants continuation of coverage, either through policy renewals or the purchase of an extended discovery period, if such extended coverage is available, for not less than three (3) years from the date of completion of the work which is the subject of this Agreement.

By requiring the minimum insurance coverage set forth in this Section 12, the County shall not be deemed or construed to have assessed the risks that may be applicable to the Contractor under this Agreement. The Contractor shall assess its own risks and, if it deems appropriate and/or prudent, maintain greater limits and/or broader coverage.

b. No Limitation on Liability. The Contractor's maintenance of insurance as required by this Agreement shall not be construed to limit the liability of the Contractor to the coverage provided by such insurance, or otherwise limit the County's recourse to any remedy available at law or in equity except as otherwise provided in Section 11 herein.

c. Minimum Scope and Limits of Insurance. The Contractor shall maintain coverage at least as broad as, and with limits no less than:

(i) General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage, and for those policies with aggregate limits, a \$2,000,000 aggregate limit. CG 00 01 04 13, including Products and Completed Operations;

(ii) Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage. CA 0001 10 13 , Symbol 1;

(iii) Workers' Compensation: To meet applicable statutory requirements for workers' compensation coverage of the state or states of residency of the workers providing services under this Agreement;

(iv) Employers' Liability or "Stop Gap" coverage: \$1,000,000

(v) Professional Liability: \$1,000,000 per claim/aggregate

d. Other Insurance Provisions and Requirements. The insurance coverages required in this Agreement for all liability policies except workers' compensation and Professional Liability, if applicable, must contain, or must be endorsed to contain, the following provisions:

(i) The County, its officers, officials, employees and agents are to be covered as additional insureds as respects liability arising out of activities performed by or on behalf of the Contractor in connection with this Agreement. Such coverage shall be primary and non-contributory insurance as respects the County, its officers, officials, employees and agents. Additional Insured Endorsement shall be included with the certificate of insurance, "CG 20 10 04 13 " or its equivalent is required.

(ii) The Contractor's Commercial General Liability and Business Auto Liability insurance coverage shall apply separately to each insured against whom a claim is made and/or lawsuit is brought, except with respect to the limits of the insurer's liability.

(iii) Any deductibles or self-insured retentions must be declared to the County. The deductible and/or self-insured retention of the policies shall not limit or apply to the Contractor's liability to the County and shall be the sole responsibility of the Contractor.

(iv) Insurance coverage must be placed with insurers with a Best's Underwriting Guide rating of no less than A:VIII, or, if not rated in the Best's Underwriting Guide, with minimum surpluses the equivalent of Best's surplus size VIII. Professional Liability, Errors and Omissions insurance coverage, if applicable, may be placed with insurers with a Best's rating of A-VII or better. Any exception must be approved by the County.

Coverage shall not be suspended, voided, canceled, reduced in coverage or in limits until after thirty (30) calendar days' prior written notice has been given to the County, to be provided by Contractor.

If at any time any of the foregoing policies fail to meet minimum requirements, the Contractor shall, upon notice to that effect from the County, promptly obtain a new policy, and shall submit the same to the County, with the appropriate certificates and endorsements, for approval.

e. Subcontractors. The Contractor shall furnish separate certificates of insurance and policy endorsements for each subcontractor. **Insurance coverages provided by subcontractors instead of the Contractor as evidence of compliance with the insurance requirements of this Agreement shall be subject to all of the requirements stated herein.**

13. County Non-discrimination. It is the policy of the County to reject discrimination which denies equal treatment to any individual because of his or her race, creed, color, national

origin, families with children, sex, marital status, sexual orientation, age, honorably discharged veteran or military status, or the presence of any sensory, mental, or physical disability or the use of a trained dog guide or service animal by a person with a disability as provided in Washington's Law against Discrimination, Chapter 49.60 RCW, and the Snohomish County Human Rights Ordinance, Chapter 2.460 SCC. These laws protect against specific forms of discrimination in employment, credit transactions, public accommodation, housing, county facilities and services, and county contracts.

The Contractor shall comply with the substantive requirements of Chapter 2.460 SCC, which are incorporated herein by this reference. Execution of this Agreement constitutes a certification by the Contractor of the Contractor's compliance with the requirements of Chapter 2.460 SCC. If the Contractor is found to have violated this provision, or to have furnished false or misleading information in an investigation or proceeding conducted pursuant to this Agreement or Chapter 2.460 SCC, this Agreement may be subject to a declaration of default and termination at the County's discretion. This provision shall not affect the Contractor's obligations under other federal, state, or local laws against discrimination.

14. Federal Non-discrimination. Snohomish County assures that no persons shall on the grounds of race, color, national origin, or sex as provided by Title VI of the Civil Rights Act of 1964 (Pub. L. No. 88-352), as amended, and the Civil Rights Restoration Act of 1987 (Pub. L. No. 100-259) be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any County sponsored program or activity. Snohomish County further assures that every effort will be made to ensure nondiscrimination in all of its programs and activities, whether those programs and activities are federally funded or not.

15. Employment of County Employees. SCC 2.50.075, "Restrictions on future employment of County employees," imposes certain restrictions on the subsequent employment and compensation of County employees. The Contractor represents and warrants to the County that it does not at the time of execution of this Agreement, and that it shall not during the term of this Agreement, employ a former or current County employee in violation of SCC 2.50.075. For breach or violation of these representations and warranties, the County shall have the right to terminate this Agreement without liability.

16. Compliance with Other Laws. The Contractor shall comply with all other applicable federal, state and local laws, rules, and regulations in performing this Agreement.

17. Compliance with Grant Terms and Conditions. The Contractor shall comply with any and all conditions, terms and requirements of any federal, state or other grant, if any, that wholly or partially funds the Contractor's work hereunder, provided that Contractor is provided advance written notice of such conditions, terms and/or requirements.

18. Prohibition of Contingency Fee Arrangements. The Contractor warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the Contractor, to solicit or secure this Agreement and that it has not paid or agreed to pay any company or person, other than a bona fide employee working solely for the Contractor, any fee, commission, percentage, brokerage fee, gifts or any other consideration, contingent upon or

resulting from the award or making of this Agreement. For breach or violation of this warranty, the County shall have the right to terminate this Agreement without liability for such termination or, in its discretion, to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.

19. Force Majeure. If either party is unable to perform any of its obligations under this Agreement as a direct result of an unforeseeable event beyond that party's reasonable control, including but not limited to an act of war, act of nature (including but not limited to earthquake and flood), embargo, riot, sabotage, labor shortage or dispute (despite due diligence in obtaining the same), or governmental restriction imposed subsequent to execution of the Agreement (collectively, a "force majeure event"), the time for performance shall be extended by the number of days directly attributable to the force majeure event. Both parties agree to use their best efforts to minimize the effects of such failures or delays.

20. Suspension of Work. The County may, at any time, instruct the Contractor in writing to stop work effective immediately, or as directed, pending either further instructions from the County to resume the work or a notice from the County of breach or termination under Section 21 of this Agreement.

21. Non-Waiver of Breach; Termination.

a. The failure of the County to insist upon strict performance of any of the covenants or agreements contained in this Agreement, or to exercise any option conferred by this Agreement, in one or more instances shall not be construed to be a waiver or relinquishment of those covenants, agreements or options, and the same shall be and remain in full force and effect.

b. If either party breaches any of its obligations hereunder, and fails to cure the same within ten (30) days of written notice to do so by the non-breaching party, the non-breaching party may terminate this Agreement, or any service provided in Exhibit A hereto (or part thereof). In the event that the County terminates the Agreement or service under this subsection (b), the County shall pay the Contractor only for the services and corresponding reimbursable expenses, if any, accepted by the County in accordance with Sections 3 and 8 hereof. In the event that Contractor terminates the Agreement or service under this subsection (b), the County shall pay Contractor for all fees due hereunder in connection with the terminated work through the effective date of termination.

c. The County may terminate this Agreement upon thirty (30) business days' written notice to the Contractor for any reason other than stated in subparagraph b above, in which case payment shall be made in accordance with Sections 3 and 8 hereof for the services and corresponding reimbursable expenses, if any, reasonably and directly incurred by the Contractor in performing this Agreement prior to receipt of the termination notice.

The Contractor may terminate this Agreement upon no less than ninety (90) calendar days' written notice to the County for any reason other than stated in subparagraph b above, in which case the County shall pay Contractor for all fees due hereunder in connection with the terminated work through the effective date of termination.

retain a copy of all County information for archival purposes.

24. Public Records Act. This Agreement and all public records associated with this Agreement shall be available from the County for inspection and copying by the public where required by the Public Records Act, Chapter 42.56 RCW (the "Act"). To the extent that public records then in the custody of the Contractor are needed for the County to respond to a request under the Act, as determined by the County, the Contractor agrees to make them promptly available to the County. If the Contractor considers any portion of any record provided to the County under this Agreement, whether in electronic or hard copy form, to be protected from disclosure under law, the Contractor shall clearly identify any specific information that it claims to be confidential or proprietary. If the County receives a request under the Act to inspect or copy the information so identified by the Contractor and the County determines that release of the information is required by the Act or otherwise appropriate, the County's sole obligations shall be to notify the Contractor (a) of the request and (b) of the date that such information will be released to the requester unless the Contractor obtains a court order to enjoin that disclosure pursuant to RCW 42.56.540. If the Contractor fails to timely obtain a court order enjoining disclosure, the County will release the requested information on the date specified.

The County has, and by this section assumes, no obligation on behalf of the Contractor to claim any exemption from disclosure under the Act. The County shall not be liable to the Contractor for releasing records not clearly identified by the Contractor as confidential or proprietary. The County shall not be liable to the Contractor for any records that the County releases in compliance with this section or in compliance with an order of a court of competent jurisdiction.

25. OFAC Compliance This Agreement is subject to OFAC compliance (i.e., the laws and regulations enforced by the United States Office of Foreign Assets Control and each party's compliance policies relating thereto). Since Contractor can be held accountable under such laws and regulations in connection with its provision of the Services, County confirms that it will screen against OFAC's list of Specially Designated Nationals and Blocked Persons those parties with whom Contractor will interact at Contractor's direction in providing the Services (e.g., County's employees, participants, other vendors, etc.). If a possible match is identified as a result of a screen, County shall notify Contractor, and the parties will cooperate with each other in resolving the matter (which may include adjustments to the services or regulatory notifications).

26. Interpretation. This Agreement and each of the terms and provisions of it are deemed to have been explicitly negotiated by the parties. The language in all parts of this Agreement shall, in all cases, be construed according to its fair meaning and not strictly for or against either of the parties hereto. The captions and headings of this Agreement are used only for convenience and are not intended to affect the interpretation of the provisions of this Agreement. This Agreement shall be construed so that wherever applicable the use of the singular number shall include the plural number, and vice versa, and the use of any gender shall be applicable to all genders.

27. Complete Agreement. The Contractor was selected through the County's RFP or RFQ identified in Section 1. The RFP or RFQ and the Contractor's response are incorporated herein by this reference. To the extent of any inconsistency among this Agreement, the RFP or

RFQ, and the Contractor's response, this Agreement shall govern. To the extent of any inconsistency between the RFP or RFQ and the Contractor's response, the RFP or RFQ shall govern.

28. Conflicts between Attachments and Text. Should any conflicts exist between any attached exhibit or schedule and the text or main body of this Agreement, the text or main body of this Agreement shall prevail.

29. No Third Party Beneficiaries. The provisions of this Agreement are for the exclusive benefit of the County and the Contractor. This Agreement shall not be deemed to have conferred any rights, express or implied, upon any third parties.

30. Governing Law; Venue. This Agreement shall be governed by the laws of the State of Washington. The venue of any action arising out of this Agreement shall be in the Superior Court of the State of Washington, in and for Snohomish County.

31. Severability. Should any clause, phrase, sentence or paragraph of this agreement be declared invalid or void, the remaining provisions of this Agreement shall remain in full force and effect.

32. Authority. Each signatory to this Agreement represents that he or she has full and sufficient authority to execute this Agreement on behalf of the County or the Contractor, as the case may be, and that upon execution of this Agreement it shall constitute a binding obligation of the County or the Contractor, as the case may be.


33. Survival. Those provisions of this Agreement that by their sense and purpose should survive expiration or termination of the Agreement shall so survive.

33. Execution in Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which shall constitute one and the same Agreement.

SNOHOMISH COUNTY:

AON CONSULTING, INC.:

County Executive Date



8/19/2020 Date

| | |
|-------------------------|---------------|
| COUNCIL USE ONLY | |
| Approved | <u>9/9/20</u> |
| Doc File | <u>D-4</u> |

Approved as to insurance and indemnification provisions:

Approved as to form only:

Sheila Barker 8/25/2020
Risk Management Date

Legal Counsel to the Contractor Date

Approved as to form only:

/S/ George Marsh

8/31/2020

Deputy Prosecuting Attorney

Date

Schedule A
Scope of Services

Statement of Work

The Contractor shall provide insurance brokerage, advisory and actuarial services associated with employee benefit plans. The Contractor will become the broker of record on behalf of the County on the following insurance policies and on other employee benefit coverages to be purchased during the duration of the agreement:

1. Self-insured medical, prescription and vision for active employees, LEOFF 1, retirees, and their dependents.
2. Fully insured medical for LEOFF 1 retirees (Medicare Advantage plan)
3. Dental
4. Life Insurance
5. Long Term Disability
6. Flexible Spending accounts (Section 125)
7. COBRA administration
8. Wellness program development and administration
9. Employee Assistance Program (EAP)

Under the direction of the Directors of Finance and Human Resources, the Contractor shall provide, among others, the following services to the County:

A. Annual Renewal

Conduct two (2) to three (3) onsite renewal strategy meetings; prepare and present renewal proposals; confirm renewal policies with all carriers upon approval by the County

Provide and negotiate annual renewals from carriers and benefits-related service organizations on behalf of the County, including providing County information pertinent to underwriting and procurement of data held by such carriers or organization on the County's behalf. Advise the County on insurance purchase and service delivery.

Prepare detailed bid specification for carriers in cooperation with the County; provide the County with detailed analysis of proposals received, and counsel the County regarding contemplated changes in programs or levels of benefits. This includes evaluating the responses and recommending changes to the County based on the RFP findings. With the exception of stop-loss marketing's, additional fees are required for the marketing of Plan coverages.

Analyze loss ratios, retention levels and billing margins during contract renewal, and negotiate favorable rates.

Represent the County in negotiations with carriers on all issues, including those related to premiums, benefit levels, plan design and special terms and conditions.

Provide employee and employer contribution rates complying with various bargaining agreements.

Compile and provide a renewal report to include renewal and rate summary.

Implement and manage performance guarantees with contracted insurance carriers to ensure the County receives the best value and service for the premiums.

B. Plan Support

Provide support to the County with administration of its benefit programs. Assist in investigation and resolution particularly problematic complaints about carrier service, and procedural problems and questions with benefit carriers.

Assist with the resolution of difficult claims and billing issues, contract and benefit plan interpretation, and vendor performance issues.

Review plan contracts, certificates, booklets, and other written documents for accuracy and compliance with plan specifications. Ensure that the schedule of benefits is consistent with the County's understanding and acceptance of the various vendors' renewal offers.

Monitor services provided by carriers to assure compliance with terms of contracts.

Prepare an annual report for the County summarizing the services provided and including observations and recommendations on new developments in the benefits market.

Advise the County of market and like business benefit trends in Puget Sound region or as applicable, nationally, and recommend appropriate action to be taken by the County. Recommend alternative benefit designs or delivery systems as dictated by emerging plan costs or benefit practices.

Compare premium rates and employee contributions to local, regional, or state public sector norms.

Assist in the development of a long-term strategic plan for the benefits program which includes objectives and initiatives to reduce and control health plan expenditures while retaining a competitive benefits program.

Work collaboratively with the County in designing and maintaining the County's benefit plans, including cost containment features to the plans, revisions to contracts and related matters. Assist the County with its efforts to promote efficient utilization and to create employee health awareness.

Be personally available for both onsite and virtual meetings as required. Provide a back-up person who is knowledgeable about the County's benefits programs.

Review current County wellness program and provide feedback and support for alignment with strategic objectives.

Provide analytical reports as the County may request.

Assist with the transition to an online benefits enrollment system including vendor selection. Note if Aon is performing the RFP for the enrollment system additional fees may be required.

C. Compliance

Provide subject matter expertise on federal, state, and regional regulatory compliance.

Provide notification on pending or new legislation and regulatory updates in a timely manner. Advise County of potential consequences of such legislation and assist with implementation of

required changes to assure compliance.

Ensure that the County follows all legal requirements by processing contracts and amendments, preparing changes to summary plan descriptions and plan documents ensuring accuracy and consistency.

D. Communications

Assist the County in developing an overall communications strategy to effectively inform and educate employees regarding their benefits, plan options, eligibility requirements, etc.

Review benefit plan designs, recommend and provide information on plan design changes including any mandated design changes and help with annual open enrollment communication pieces, may also include coordination of benefit meetings or fairs.

Assist the County with preparation and review of employee communication material and booklets, which describe benefit packages.

Assist the County with the implementation and communication of new programs or changes to existing programs, which will include attending various meetings.

Coordinate with County representatives on employee relations issues concerning group insurance and benefit programs.

Meet with and provide reports regarding plan status, design, trends, cost containment, explanation of benefits, etc., to various County representatives, when requested by the County, including the County Council, County administration, employee groups and County staff.

E. Financial Analysis, Monitoring and Planning

Provide actuarial services including rate setting, projecting funding needs for upcoming plan years and annual actuarial review for County's IBNP (incurred but not paid) liability.

Evaluate the practicability of self-insurance or fully insured funding arrangements for the County.

Provide an ongoing actuarial analysis of plan financial experience, claims experience and future funding requirements as a basis for the strategic plan development.

Provide actuarial calculated employee and employer contribution rates complying with various bargaining agreements.

Provide quarterly paid claims and paid premium experience reports, to include the following data:

- a. Premium or fixed costs, paid claims, and loss ratio for each line of coverage or subgroup level
- b. Cumulative data for each report
- c. Experience categorized by type of participant, such as: active employees, retirees
- d. Experience categorized by the type of service provided
- e. Medical and vision reports, to include number of claims processed, number of eligible employees covered, number of dependents covered, cost per claim processed, the number of claims processed per eligible employee, and cost per eligible employee

Provide annual, analyses and reporting that includes:

- a. Claims, enrollment, and demographic data collection
- b. Claims experience (actual versus expected)
- c. Analysis of historical data to develop and validate trends
- d. Analysis of utilization and contracted savings in the self-insured plan options
- e. Calculation of appropriate reserve levels for self-insured plan options on an ongoing basis
- f. Calculation of prospective employee and employer contributions

Within 90 days of the close of a plan year provide an annual report of experience, utilization, trend, and other relevant data including a comparison and analysis of current results to prior years.

Evaluate the viability and cost-effectiveness of cost containment options. This could include modeling various scenarios and analyzing impacts of each.

Assist the County with the required report to the Washington State Department of Enterprise Services, Risk Management Division to assure compliance and proper reporting for self-insured medical benefits program.

Provide other related statistical data which may be requested by the County.

F. Additional Services Upon Request

The County may request in writing, that the Health Benefits Insurance Advisor provide services outside the scope of work identified in Section 5. That work will be compensated at the hourly rates proposed in Section 7 G. and to be set forth in the contract for Health Benefits Insurance Advisory services. The County will be obligated to compensate Contractor for such work at hourly rates only if it is agreed in writing that the services are outside of the scope of the contract and has documented the work product in an amendment to this contract before that work has commenced.

Schedule B
Compensation

1. Annual Rate: For the years during which the Agreement is in effect, the County shall pay an amount up to the Contractor annual fee (Annual Compensation Cap):

| Monthly Installment | Total Annual Amount |
|----------------------|---------------------|
| \$11,761.58 (YEAR 1) | \$141,139 (YEAR 1) |
| \$12,330.00 (YEAR 2) | \$147,960 (YEAR 2) |
| \$12,950.00 (YEAR 3) | \$155,440 (YEAR 3) |
| \$13,400.00 (YEAR 4) | \$160,800 (YEAR 4) |

2. Monthly Invoices: Within fifteen (15) days following the end of each month, the Contractor shall submit executed invoices for services performed during the preceding calendar month.

3. Monthly Payment: The County shall pay the Contractor within thirty (30) days of its receipt of the department approved invoice to Finance.

4. Out-of-Pocket Costs: The Contractor shall bear the expense of, and shall not be separately compensated by the County, for the out-of-pocket costs, if any, it incurs in performing services under this Agreement, unless otherwise agreed upon in writing.