

SERVICES AGREEMENT BETWEEN THE CITY OF VERNON AND KEENAN &  
ASSOCIATES FOR HEALTH BENEFITS BROKERAGE AND CONSULTING  
SERVICES

COVER PAGE

Contractor:	Keenan & Associates
Responsible Principal of Contractor:	Laurie LoFranco, Senior Vice President
Notice Information - Contractor:	Keenan & Associates 2355 Crenshaw Blvd. Suite 200 Torrance, CA 90501 Attention: Terry Luczaj, Benefits Consultant Telephone: (714) 478-5153
Notice Information - City:	City of Vernon 4305 Santa Fe Avenue Vernon, CA 90058 Attention: Lisette M. Grizzelle, Interim Director of Human Resources Telephone: (323) 583-8811 ext. 166
Commencement Date:	April 1, 2025
Termination Date:	March 31, 2028
Consideration:	Total not to exceed \$150,500.00 (includes all applicable sales tax); and more particularly described in Exhibit B
Records Retention Period	Three (3) years, pursuant to Section 11.20

SERVICES AGREEMENT BETWEEN THE CITY OF VERNON AND KEENAN & ASSOCIATES  
FOR HEALTH BENEFITS BROKERAGE AND CONSULTING SERVICES

This Agreement is made between the City of Vernon, a California charter City and California municipal corporation ("City"), and Keenan & Associates, a California corporation ("Contractor").

The City and Contractor agree as follows:

1.0 EMPLOYMENT OF CONTRACTOR. City agrees to engage Contractor to perform the services as hereinafter set forth as authorized by the City Council on \_March 18, 2025\_\_\_\_\_, \_\_\_\_.

2.0 SCOPE OF SERVICES.

2.1 Contractor shall perform all work necessary to complete the services set forth in the City's Request for Proposals issued on or about December 19, 2024\_\_\_\_\_, and titled RFP for Health Benefits Brokerage and Consulting Services, and Contractor's proposal to the City ("Proposal") dated January 6, 2025, Exhibit "A", a copy which is attached to and incorporated into this Agreement by reference.

2.2 All services shall be performed to the satisfaction of City.

2.3 All services shall be performed in a competent, professional, and satisfactory manner in accordance with the prevailing industry standards for such services.

3.0 PERSONNEL.

3.1 Contractor represents that it employs, or will employ, at its own expense, all personnel required to perform the services under this Agreement.

3.2 Contractor shall not subcontract any services to be performed by it under this Agreement without prior written approval of City.

3.3 All of the services required hereunder will be performed by Contractor or by City approved subcontractors. Contractor, and all personnel engaged in the work, shall be fully qualified and authorized or permitted under State and local law to perform such services and shall be subject to approval by the City.

4.0 TERM. The term of this Agreement shall commence on April 1, 2025, and it shall continue until March 31, 2028, unless terminated at an earlier date pursuant to the provisions thereof.

5.0 COMPENSATION AND FEES.

5.1 Contractor has established rates for the City of Vernon which are comparable to and do not exceed the best rates offered to other governmental entities in and around Los Angeles County for the same services. For satisfactory and timely performance of the services, the City will pay Contractor in accordance with the payment schedule set forth in Exhibit "B" attached hereto and incorporated herein by reference.

5.2 Contractor's grand total compensation for the entire term of this Agreement, shall not exceed \$150,500.00 without the prior authorization of the City, as appropriate, and written amendment of this Agreement.

5.3 Contractor shall, at its sole cost and expense, furnish all necessary and incidental labor, material, supplies, facilities, equipment, and transportation which may be required for furnishing services pursuant to this Agreement. Materials shall be of the highest quality. The above Agreement fee shall include all staff time and all clerical, administrative, overhead, insurance, reproduction, telephone, air travel, auto rental, subsistence, and all related costs and expenses.

5.4 City shall reimburse Contractor only for those costs or expenses specifically approved in this Agreement, or specifically approved in writing in advance by City. Unless otherwise approved, such costs shall be limited and include nothing more than the following costs incurred by Contractor:

5.4.1 The actual costs of subcontractors for performance of any of the services that Contractor agrees to render pursuant to this Agreement, which have been approved in advance by City and awarded in accordance with this Agreement.

5.4.2 Approved reproduction charges.

5.4.3 Actual costs and/or other costs and/or payments specifically authorized in advance in writing and incurred by Contractor in the performance of this Agreement.

5.5 Contractor shall not receive any compensation for extra work performed without the prior written authorization of City. As used herein, "extra work" means any work that is determined by City to be necessary for the proper completion of the Project, but which is not included within the Scope of Services and which the parties did not reasonably anticipate would be necessary at the time of execution of this Agreement. Compensation for any authorized extra work shall be paid in accordance with the payment schedule as set forth in Exhibit "B," if the extra work has been approved by the City.

5.6 Licenses, Permits, Fees, and Assessments. Contractor shall obtain, at Contractor's sole cost and expense, such licenses, permits, and approvals as may be required

by law for the performance of the services required by this Agreement. Contractor shall have the sole obligation to pay for any fees, assessments, and taxes, plus applicable penalties and interest, which may be imposed by law and which arise from or are necessary for the performance of the Services by this Agreement.

6.0 PAYMENT.

6.1 As scheduled services are completed, Contractor shall submit to the City an invoice for the services completed, authorized expenses, and authorized extra work actually performed or incurred according to said schedule.

6.2 Each such invoice shall state the basis for the amount invoiced, including a detailed description of the services completed, the number of hours spent, reimbursable expenses incurred and any extra work performed.

6.3 Contractor shall also submit a progress report with each invoice that describes in reasonable detail the services and the extra work, if any, performed in the immediately preceding calendar month.

6.4 Contractor understands and agrees that invoices which lack sufficient detail to measure performance will be returned and not processed for payment.

6.5 City will pay Contractor the amount invoiced within thirty (30) days after the City approves the invoice.

6.6 Payment of such invoices shall be payment in full for all services, authorized costs, and authorized extra work covered by that invoice.

7.0 CITY'S RESPONSIBILITY. City shall cooperate with Contractor as may be reasonably necessary for Contractor to perform its services; and will give any required decisions as promptly as practicable so as to avoid unreasonable delay in the progress of Contractor's services.

8.0 COORDINATION OF SERVICES. Contractor agrees to work closely with City staff in the performance of Services and shall be available to City's staff, consultants, and other staff at all reasonable times.

9.0 INDEMNITY. Contractor agrees to indemnify City, its officers, elected officials, employees and agents against, and will hold and save each of them harmless from, any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities (herein "claims or liabilities"), including but not limited to professional negligence, that may be asserted or claimed by any person, firm or entity arising out of or in connection with the work, operations or activities of Contractor, its agents, employees, subcontractors, or invitees, provided for herein, or arising from the acts or

omissions of Contractor hereunder, or arising from Contractor's performance of or failure to perform any term, provision, covenant or condition of this Agreement, except to the extent such claims or liabilities arise from the gross negligence or willful misconduct of City, its officers, elected officials, agents or employees.

10.0 INSURANCE. Contractor shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damage to property that may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, or employees. With the exception of the Professional Liability policy, the policies shall state that they afford primary coverage.

10.1 Automobile Liability Insurance – Primary insurance coverage shall be written on ISO Business Auto coverage form for all owned, hired, and non-owned automobiles or any auto. The policy shall have a combined single limit of not less than one million dollars (\$1,000,000). If Contractor is transporting one or more non-employee passengers in the performance of the services, the automobile liability policy shall have a combined single limit of two million dollars (\$2,000,000). If Contractor owns no autos, a hired, non-owned auto endorsement to the General Liability policy is acceptable.

10.1.1 Contractor agrees to subrogate automobile liability resulting from performance under this agreement by agreeing to defend, indemnify, and hold harmless, the City, and its respective employees, agents, and City Council from and against all claims, liabilities, suits, losses, damages, injuries and expenses, including all costs and reasonable attorney's fees ("Claims"), which are attributable to any act or omission by the Contractor under the performance of the services. The City of Vernon, its directors, commissioners, officers, employees, agents, and volunteers must be endorsed on the policy as additional insureds and, under the Contractors' policy, there shall be a waiver of subrogation, and the policy shall be primary and non-contributory and will not seek contribution from the City's insurance.

10.2 Commercial General Liability Insurance – Contractor shall carry General Liability Insurance covering all operations performed by or on behalf of the Contractor providing coverage for bodily injury and property damage with a single limit of not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) general aggregate limit written on an Insurance Services Office (ISO) Comprehensive General Liability "occurrence" Form CG 00 01 or its equivalent for coverage on an occurrence basis. The City of Vernon, its

directors, commissioners, officers, employees, agents, and volunteers must be endorsed on the policy as additional insureds with respect to liability arising out of the Contractor's performance of this Agreement. The additional insured coverage under the Contractor's policy shall be primary and non-contributory and will not seek contribution from the City's insurance. The policy shall be endorsed to include a waiver of subrogation.

10.2.1 If Contractor intends to employ other contractors as part of the services rendered, the City must approve and will establish the appropriate insurance requirements.

10.2.2 Contractor agrees to subrogate General Liability resulting from performance under this agreement by agreeing to defend, indemnify, and hold harmless, the City, and its respective employees, agents, and City Council from and against all claims, liabilities, suits, losses, damages, injuries and expenses, including all costs and reasonable attorney's fees ("Claims"), which are attributable to any act or omission by the Contractor under the performance of the services.

10.3 Professional Errors and Omissions Coverage in a sum of not less than one million dollars (\$1,000,000), where such risk is applicable.

Contractor shall maintain such coverage for at least one (1) year after the termination of this agreement.

10.4 Umbrella Liability Insurance – An umbrella (over primary) may be used to comply with limits or other primary coverage requirements. When used, the umbrella policy shall apply to bodily injury/property damage and personal injury/advertising injury and shall include a "dropdown" provision providing primary coverage for any liability not covered by the primary policy. The umbrella policy shall have no additional exclusion or coverage difference from the primary policy. The coverage shall also apply to automobile liability.

10.5 Workers' Compensation/Employers Liability - Contractor shall comply with the applicable sections of the California Labor Code concerning workers' compensation for injuries on the job. Compliance is accomplished in one of the following manners:

10.5.1 Provide a copy of the permissive self-insurance certificate approved by the State of California; or

10.5.2 Secure and maintain in force a policy of workers' compensation insurance with statutory limits and Employer's Liability Insurance with a limit of one million dollars (\$1,000,000) per accident. The policy shall be endorsed to waive all rights of subrogation against City, its directors, commissioners,

officers, employees, and volunteers for losses arising from performance of this Agreement or

10.5.3 If Contractor has no employees, it may certify or warrant to the City that it does not currently have any employees or individuals who are defined as “employees” under the Labor Code, and the requirement for Workers’ Compensation coverage will be waived by completing the waiver form provided by the City.

10.6 If Contractor maintains broader coverage and/or higher limits than the minimums shown above, City requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

10.7 With the exception of the Professional Liability policy, Contractor shall, where possible, endeavor to have each insurance policy included in this clause shall be endorsed to state that coverage shall not be cancelled except after thirty (30) days prior written notice to City., except for non-payment of premium where such notice shall be ten (10) days plus mailing time. Notwithstanding the foregoing, some of these policy notice(s) may not be able to endorse their policy(ies), and such notice may come from Contractor, so may also be less time from Contractor to City.

10.8 Insurance shall be placed with insurers with an A.M. Best rating of no less than A-VIII. Any self-insured retention or deductible in excess of \$25,000 must be approved in advance by the City. Any policies written on a claims-based basis must include a minimum of a 3-year tail.

10.9 Prior to the commencement of performance, and upon written request from City, Contractor shall furnish City with copies of all relevant provisions of all policies. Each certificate is to be signed by a person authorized by that insurer to evidence coverage on its behalf. The certificate(s) must be in a form approved by City. City may require complete, certified copies of any or all policies upon request.

10.10 Failure to maintain required insurance at all times shall constitute a default and material breach. In such event, Contractor shall immediately notify City and cease all performance under this Agreement until further directed by the City. In the absence of satisfactory insurance coverage, City may, at its option: (a) procure insurance with collection rights for premiums, attorney's fees, and costs against Contractor by way of set-off or recoupment from sums due to Contractor, at City's option; (b) immediately terminate this Agreement and seek damages from the Agreement resulting from said breach; or (c) self-insure

the risk, with all damages and costs incurred, by judgment, settlement or otherwise, including attorney's fees and costs, being collectible from Contractor, by way of set-off or recoupment from any sums due to Contractor.

11.0 GENERAL TERMS AND CONDITIONS.

11.1 INDEPENDENT CONTRACTOR.

11.1.1 It is understood that in the performance of the services herein provided for, Contractor shall be, and is, an independent contractor, and is not an agent, officer or employee of City and shall furnish such services in its own manner and method except as required by this Agreement, or any applicable statute, rule, or regulation. Further, Contractor has and shall retain the right to exercise full control over the employment, direction, compensation and discharge of all persons employed by Contractor in the performance of the services hereunder. City assumes no liability for Contractor's actions and performance, nor assumes responsibility for taxes, bonds, payments, or other commitments, implied or explicit, by or for Contractor. Contractor shall be solely responsible for, and shall indemnify, defend and save City harmless from all matters relating to the payment of its employees, subcontractors and independent contractors, including compliance with social security, withholding and all other wages, salaries, benefits, taxes, exactions, and regulations of any nature whatsoever.

11.1.2 Contractor acknowledges that Contractor and any subcontractors, agents or employees employed by Contractor shall not, under any circumstances, be considered employees of the City, and that they shall not be entitled to any of the benefits or rights afforded employees of City, including, but not limited to, sick leave, vacation leave, holiday pay, Public Employees Retirement System benefits, or health, life, dental, long-term disability or workers' compensation insurance benefits.

11.2 CONTRACTOR NOT AGENT. Except as the City may authorize in writing, Contractor and its subcontractors shall have no authority, express or implied, to act on behalf of or bind the City in any capacity whatsoever as agents or otherwise.

11.3 OWNERSHIP OF WORK. All documents and materials furnished by the City to Contractor shall remain the property of the City and shall be returned to the City upon termination of this Agreement. All reports, drawings, plans, specifications, computer tapes, floppy disks and printouts, studies, memoranda, computation sheets, and other documents prepared by Contractor in furtherance of the work shall be the sole property of City and shall be delivered to City whenever requested at no additional cost to the City. Contractor shall keep such documents and materials on file and available for audit by the City for at least three (3) years after completion or earlier termination of this Agreement, but nothing shall preclude

Contractor from retention for so long as Contractor, in its sole discretion, shall deem appropriate. Contractor shall continue to maintain a perpetual, irrevocable, worldwide license to any documents, materials, and other items furnished, including but not limited to the ability to make duplicate copies of such materials and documents for its own files or for such other purposes. However, this Section shall not apply for and to the extent that Contractor intended that such documents, materials, and other items noted herein were potentially intended for individuals and organizations other than City, were not contemplated under this Agreement, or are owned by a third-party where Contractor does not have the rights to convey such ownership. Nonetheless, in such situations referenced in the immediate sentence, Contractor shall endeavor to procure and provide a perpetual, irrevocable, worldwide license to any documents, materials, and other items furnished pursuant to this Agreement, or endeavor to inform City of the limitations of such.

11.4 CORRECTION OF WORK. Contractor shall promptly correct any defective, inaccurate or incomplete tasks, deliverables, goods, services and other work, without additional cost to the City. The performance or acceptance of services furnished by Contractor shall not relieve the Contractor from the obligation to correct subsequently discovered defects, inaccuracy, or incompleteness.

11.5 RESPONSIBILITY FOR ERRORS. Contractor shall be responsible for its work and results under this Agreement. Contractor, when requested, shall furnish clarification and/or explanation as may be required by the City, regarding any services rendered under this Agreement at no additional cost to City. In the event that an error or omission attributable to Contractor occurs, then Contractor shall, at no cost to City, provide all necessary design drawings, estimates and other Contractor professional services necessary to rectify and correct the matter to the sole satisfaction of City and to participate in any meeting required with regard to the correction.

11.6 WAIVER. The City's waiver of any term, condition, breach, or default of this Agreement shall not be considered to be a waiver of any other term, condition, default or breach, nor of a subsequent breach of the one waived. The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and executed by a duly authorized representative of the party against whom enforcement of a waiver is sought.

11.7 SUCCESSORS. This Agreement shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective heirs, successors, and/or assigns.

11.8 NO ASSIGNMENT. Contractor shall not assign or transfer this Agreement or any rights hereunder without the prior written consent of the City and approval by the City Attorney, which may be withheld in the City's sole discretion. Any unauthorized assignment or transfer shall be null and void and shall constitute a material breach by the Contractor of its obligations under this Agreement. No assignment shall release the original parties from their obligations or otherwise constitute a novation.

11.9 COMPLIANCE WITH LAWS. Contractor shall comply with all Federal, State, County and City laws, ordinances, rules and regulations, which are, as amended from time to time, incorporated herein and applicable to the performance hereof. Violation of any law material to performance of this Agreement shall entitle the City to terminate the Agreement and otherwise pursue its remedies. Further, if the Contractor performs any work knowing it to be contrary to such laws, rules, and regulations Contractor shall be solely responsible for all costs arising therefrom.

11.10 ATTORNEY'S FEES. If any action at law or in equity is brought to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs, and necessary disbursements in addition to any other relief to which such party may be entitled.

11.11 INTERPRETATION.

11.11.1 Applicable Law. This Agreement shall be deemed an agreement and shall be governed by and construed in accordance with the laws of the State of California. Contractor agrees that the State and Federal courts which sit in the State of California shall have exclusive jurisdiction over all controversies and disputes arising hereunder, and submits to the jurisdiction thereof.

11.11.2 Entire Agreement. This Agreement, including any exhibits attached hereto, constitutes the entire agreement and understanding between the parties regarding its subject matter and supersedes all prior or contemporaneous negotiations, representations, understandings, correspondence, documentation, and agreements (written or oral).

11.11.3 Written Amendment. This Agreement may only be changed by written amendment executed by Contractor and the City Administrator or other authorized representative of the City, subject to any requisite authorization by the City Council. Any oral representations or modifications concerning this Agreement shall be of no force or effect.

11.11.4 Severability. If any provision in this Agreement is held by any court of competent jurisdiction to be invalid, illegal, void, or unenforceable, such portion shall be deemed severed from this Agreement, and the remaining provisions shall nevertheless continue in full force and effect as fully as though such invalid, illegal, or unenforceable portion had never been part of this Agreement.

11.11.5 Order of Precedence. In case of conflict between the terms of this Agreement and the terms contained in any document attached as an Exhibit or otherwise incorporated by reference, the terms of this Agreement shall strictly prevail. The terms of the City's Request for Proposals shall control over the Contractor's Proposal.

11.11.6 Construction. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

11.12 TIME OF ESSENCE. Time is strictly of the essence of this agreement and each and every covenant, term, and provision hereof.

11.13 AUTHORITY OF CONTRACTOR. The Contractor hereby represents and warrants to the City that the Contractor has the right, power, legal capacity, and authority to enter into and perform its obligations under this Agreement, and its execution of this Agreement has been duly authorized.

11.14 ARBITRATION OF DISPUTES. Any dispute for under \$25,000 arising out of or relating to the negotiation, construction, performance, non-performance, breach, or any other aspect of this Agreement, shall be settled by binding arbitration in accordance with the Commercial Rules of the American Arbitration Association at Los Angeles, California and judgment upon the award rendered by the Arbitrators may be entered in any court having jurisdiction thereof. The City does not waive its right to object to the timeliness or sufficiency of any claim filed or required to be filed against the City and reserves the right to conduct full discovery.

11.15 NOTICES. Any notice or demand to be given by one party to the other must be given in writing and by personal delivery or prepaid first-class, registered or certified mail, addressed as follows. Notice simply to the City of Vernon or any other City department is not adequate notice.

If to the City:

City of Vernon

Attention: Lisette M. Grizzelle, Interim Director of Human Resources  
4305 Santa Fe Avenue  
Vernon, CA 90058

If to the Contractor:

Keenan & Associates  
Attention: Terry Luczaj, Benefits Consultant  
2355 Crenshaw Blvd.  
Suite 200  
Torrance, CA 90501

Any such notice shall be deemed to have been given upon delivery, if personally delivered, or, if mailed, upon receipt, or upon expiration of three (3) business days from the date of posting, whichever is earlier. Either party may change the address at which it desires to receive notice upon giving written notice of such request to the other party.

11.16 NO THIRD PARTY RIGHTS. This Agreement is entered into for the sole benefit of City and Contractor and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right or remedy in, under, or to this Agreement.

11.17 TERMINATION FOR CONVENIENCE (Without Cause). City may terminate this Agreement in whole or in part at any time, for any cause or without cause, upon fifteen (15) calendar days' written notice to Contractor. If the Agreement is thus terminated by City for reasons other than Contractor's failure to perform its obligations, City shall pay Contractor a prorated amount based on the services satisfactorily completed and accepted prior to the effective date of termination. Such payment shall be Contractor's exclusive remedy for termination without cause.

11.18 DEFAULT. In the event either party materially defaults in its obligations hereunder, the other party may declare a default and terminate this Agreement by written notice to the defaulting party. The notice shall specify the basis for the default. The Agreement shall terminate unless such default is cured before the effective date of termination stated in such notice, which date shall be no sooner than ten (10) days after the date of the notice. In case of default by Contractor, the City reserves the right to procure the goods or services from other sources and to hold the Contractor responsible for any excess costs occasioned to the City thereby. Contractor shall not be held accountable for additional costs incurred due to delay or default as a result of Force Majeure. Contractor must notify the City immediately upon knowing that non-performance or delay will apply to this Agreement as a result of Force Majeure. At that time Contractor is to submit in writing a Recovery Plan for this Agreement. If the Recovery Plan

is not acceptable to the City or not received within 10 days of the necessary notification of Force Majeure default, then the City may cancel this order in its entirety at no cost to the City, owing only for goods and services completed to that point.

11.19 TERMINATION FOR CAUSE. Termination for cause shall relieve the terminating party of further liability or responsibility under this Agreement, including the payment of money, except for payment for services satisfactorily and timely performed prior to the service of the notice of termination, and except for reimbursement of (1) any payments made by the City for service not subsequently performed in a timely and satisfactory manner, and (2) costs incurred by the City in obtaining substitute performance. If this Agreement is terminated as provided herein, City may require, at no additional cost to City, that Contractor provide all finished or unfinished documents, data, and other information of any kind prepared by Contractor in connection with the performance of Services under this Agreement. Contractor shall be required to provide such document and other information within fifteen (15) days of the request.

11.19.1 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

11.20 MAINTENANCE AND INSPECTION OF RECORDS.

The City, or its authorized auditors or representatives, shall have access to and the right to audit and reproduce any of the Contractor's records to the extent the City deems necessary to insure it is receiving all money to which it is entitled under the Agreement and/or is paying only the amounts to which Contractor is properly entitled under the Agreement or for other purposes relating to the Agreement.

The Contractor shall maintain and preserve all such records for a period of at least three (3) years after termination of the Agreement.

The Contractor shall maintain all such records in the City of Vernon. If not, the Contractor shall, upon request, promptly deliver the records to the City of Vernon or reimburse the City for all reasonable and extra costs incurred in conducting the audit at a location other than the City of Vernon, including, but not limited to, such additional (out of the City) expenses for personnel, salaries, private auditors, travel, lodging, meals, and overhead.

11.21 CONFLICT. Contractor hereby represents, warrants, and certifies that no member, officer, or employee of the Contractor is a director, officer, or employee of the City of Vernon, or a member of any of its boards, commissions, or committees, except to the extent permitted by law.

11.22 HEADINGS. Paragraphs and subparagraph headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

11.23 ENFORCEMENT OF WAGE AND HOUR LAWS. Eight hours labor constitutes a legal day's work. The Contractor, or subcontractor, if any, shall forfeit twenty-five dollars (\$25) for each worker employed in the execution of this Agreement by the respective Contractor or subcontractor for each calendar day during which the worker is required or permitted to work more than 8 hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of Sections 1810 through 1815 of the California Labor Code as a penalty paid to the City; provided, however, work performed by employees of contractors in excess of 8 hours per day, and 40 hours during any one week, shall be permitted upon compensation for all hours worked in excess of 8 hours per day at not less than 1½ times the basic rate of pay.

11.25 EQUAL EMPLOYMENT OPPORTUNITY PRACTICES. Contractor certifies and represents that, during the performance of this Agreement, it and any other parties with whom it may subcontract shall adhere to equal employment opportunity practices to assure that applicants, employees and recipients of service are treated equally and are not discriminated against because of their race, religion, color, national origin, ancestry, disability, sex, age, medical condition, sexual orientation or marital status. Contractor further certifies that it will not maintain any segregated facilities. Contractor further agrees to comply with The Equal Employment Opportunity Practices provisions as set forth in Exhibit "C".

[Signatures Begin on Next Page].

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Commencement Date stated on the cover page.

City of Vernon, a California charter City  
and California municipal corporation

By: \_\_\_\_\_  
Brian Saeki, City Administrator

ATTEST:

\_\_\_\_\_  
Yonnie Parker, Deputy City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Zaynah N. Moussa,  
City Attorney

Keenan & Associates, a California  
corporation

By: Laurie LoFranco

Name: Laurie LoFranco

Title: Senior Vice President, Employee Benefits Distribution Leader

By: Angel Salinas

Name: Angel Salinas

Title: Chief Financial Officer

EXHIBIT A  
CONTRACTOR'S PROPOSAL

# Response to REQUEST FOR PROPOSAL

## Health Benefits Brokerage and Consulting Services

City of Vernon

January 6, 2025

Presented By

**Terry Luczaj**  
**Benefits Consultant**  
2355 Crenshaw Blvd. Suite 200  
Torrance CA 90501  
714.478.5153  
[tluczaj@keenan.com](mailto:tluczaj@keenan.com)

Keenan & Associates  
CA License No. 0451271

*Keenan*<sup>®</sup>

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## B. COVER LETTER

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January 6, 2025

City of Vernon  
Lisette Grizzelle  
4305 Santa Fe Avenue  
Vernon, CA 90058

**Re: RFP for Health Benefits Brokerage and Consulting Services**

Dear Lisette Grizzelle:

Keenan is pleased to present our proposal to **RFP for Health Benefits Brokerage and Consulting Services** to the City of Vernon. Keenan has specialized in the needs of California public agencies and schools since our inception in 1972 (Keenan & Associates).

Our philosophy is based on a consultative approach. Rather than just placing your coverage with carriers and vendors, our goal is to establish a partnership where we can serve as an extension of your human resources division. In this role, we regularly reevaluate your existing programs to identify alternative options that can provide greater value to both the City and your employee benefits program participants.

Ultimately, Keenan's role in this partnership is to alleviate as much workload from your team so that your human resources staff can focus on your primary organizational and mission-critical goals. This effort includes identifying efficiencies that can be obtained in your benefits program for both the administration and ease of use for your employees. As such, we serve as proactive advocates, identifying where potential problems may arise so that they can be addressed before they impact your budget or program.

Furthermore, our consulting services are designed to understand the entire life cycle of the public sector employee, from their initial hire through post-employment benefit needs. With Keenan, you will not only receive the best products, the greatest selection of options, and the most dedicated customer service the industry can provide, but you will gain a partner who truly cares about you and the needs of your employees.

Per the RFP instructions, following is the required cover letter information and assurance that Keenan meets the City of Vernon's minimum requirements:

**Business Entity Information**

Keenan & Associates  
2355 Crenshaw Blvd., Suite 200  
Torrance, CA 90501  
800.654.8102

**Contact Person for the RFP**

Terry Luczaj, Benefits Consultant  
2355 Crenshaw Blvd., Suite 200  
Torrance, CA 90501  
714.478.5153  
[tluczaj@keenan.com](mailto:tluczaj@keenan.com)

***Minimum Requirements***

- 1. The proposer must be a licensed insurance brokerage and consulting firm and have advanced knowledge of the laws and practices relating to employee benefits consulting within a California municipal government setting. This includes, but not limited to, articulated knowledge of the laws governing each of the service areas as described above.***

Keenan is a fully licensed insurance brokerage and consulting firm. Our California Department of Insurance license number is 0451271. Furthermore, to ensure that we have access to the best information available, Keenan is an active member of the Council of Insurance Agents and Brokers (CIAB). Through CIAB, we participate in their Communications Working Group (to identify best practices for client communications) and the Legal Counsel Working Group (for clarity of emerging and newly implemented legislative and regulatory issues that may impact benefits plans). Charlotte Doecker, Senior Vice President of Keenan's Marketing Communications Department, represents Keenan on the Communications Work Group, and Amy Donovan, Keenan's Senior Vice President and Chief Counsel, Employee Benefits Compliance, represents Keenan on CIAB's Legal Counsel Work Group. CIAB meetings for both are hosted in Washington D.C (and virtually as needed) and provide us with access to federal lawmakers, lobbyists, and thought leaders to discuss national trends in health and liability insurance issues.

- 2. The proposer has a demonstrated track record of success in handling all aspects of employee benefits consulting in the service area being proposed and at least five (5)***

*years providing these services to public entities in a unionized environment in the State of California.*

Keenan was founded in 1972. Keenan has more than 52 years of experience in employee benefit and health insurance consulting to California cities, counties, special districts (e.g., transit authorities, utilities, etc.), community colleges, and public school districts. Statewide, we provide services to more than 1,100 public sector entities including more than 50 trusts and joint powers authority (JPA) programs. Because of Keenan's niche focus on the unique requirements of public sector entities, we bring a comprehensive understanding of the select customers and markets we serve.

Keenan has extensive experience with supporting the joint labor management negotiation process. Following is a summary of the expertise of our dedicated team that supports this process.

- Building consensus between labor and management is a keystone of Keenan's Solutions:
  - We have more specific experience than any other consultant in the marketplace in building and maintaining the critical communication between Labor and Management groups.
  - Keenan Staff Training – All Keenan Personnel are trained on how to facilitate effective Joint Labor Management Benefit Committees (JLMBC).

*3. The proposer shall provide three (3) references, preferably from governmental entities, for relevant work performed in the past five (5) years. When possible, include references from cities of a similar size and character to the City of Vernon. If the proposer does not have three (3) governmental entity references, references from private entities may be provided.*

Please see **Section G** of this response for three client references. All are California public entities and encompass relevant work performed in the past five years.

*4. The proposer can demonstrate understanding of the assignment and knowledge of the skills necessary to service in the role of Benefits Consultant/Broker.*

We believe that the information provided in this proposal demonstrates Keenan's understanding of the City of Vernon's assignment and our outstanding skills as a leading benefits consultant/broker.

Thank you for the opportunity to submit a proposal for your consideration, including the pricing for the targeted scope of services included in the RFP.

As the Employee Benefits Distribution Leader of Keenan, I am fully authorized to bind Keenan to the following proposal.

This proposal shall remain valid for a period of not less than ninety (90) days from the date of submittal, January 6, 2025.

Keenan does not anticipate utilizing any subconsultants on this project.

Please see **Appendix 1** for Keenan's redline copy of the sample agreement detailing Keenan's exceptions to the agreement.

We look forward to this opportunity to serve you and the employees of the City of Vernon. Should you have any questions regarding this proposal, please do not hesitate to contact Terry Luczaj at 714.478.5153 or via email at [tluczaj@keenanc.com](mailto:tluczaj@keenanc.com).

Sincerely,



Laurie LoFranco  
Senior Vice President, Employee Benefits Distribution Leader

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## C. INTRODUCTION

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*Present an introduction of the proposal and your understanding of the assignment and significant steps, methods and procedures to be employed by the proposer to ensure quality deliverables that can be delivered within the required time frames and your identified budget.*

Founded in 1972, Keenan has more than 52 years of experience consulting to cities, counties, special districts (e.g., transit authorities, utilities, etc.), community colleges, and public school districts. Statewide, we provide services to more than 1,100 public sector entities, including 50 trusts and joint powers authority (JPA) programs. Because of Keenan's niche focus on the unique requirements of public sector entities, we bring a comprehensive understanding of the select customers and markets we serve.

Our corporate mission is to build innovative solutions and provide stellar customer service to create savings and security for clients, so they can focus on the education, health, and vitality of our communities. Our core philosophies are based on the realization that we cannot merely be a vendor that our clients utilize; rather, we have to continue to be a proactive partner with our clients. We are an extension of your organization, working closely in partnership with you to ensure that your members receive a high-value benefit program while you are able to remain fiscally responsible.

Most insurance brokerage and consulting firms have some public agency clients. Keenan is unique in that it was founded and remains dedicated to serving the unique needs of California public agencies. Our company's niche focus has been dedicated to developing innovative solutions that address the benefit issues for public sector agencies. Furthermore, our consulting services are designed around an understanding of the full life cycle of the public sector employee, from their initial hire through post-employment benefits needs.

We have detailed the significant steps we will take to accomplish the City's stated objectives in **Section E - Work Plan** and the methods and procedures are discussed in **Section D - General Scope of Work**.

Keenan has a proven track record with Joint Labor & Management Employee Benefits Committees. We have extensive experience facilitating Insurance Committees. Understanding and communicating new program options, concerns and successes through an active Benefits Committee leads to the most successful relationships throughout the organization.

Keenan brings an array of insurance services and solutions developed specifically for public agencies. This includes online enrollment and benefits technology solutions built and customized to your requirements, products, ACA consulting, actuarial planning, underwriting expertise, local service, and an unprecedented understanding of the employee benefits challenges confronting public agencies.

Following are examples of online service options available to our employee benefit clients.

### **Human Resource Tools**

As an extension of our clients' human resources departments, we partner to provide guidance on all benefits-related support needed.

In addition to being an extension of your department, we also provide you access to resources to support your overall human resources needs, as detailed below.

Keenan can provide City of Vernon with additional HR resources provided by Mineral (formerly ThinkHR). Services from Mineral include:

- Assess your HR health
- Get expert advice on HR and legal issues
- Create an employee handbook
- Create job descriptions
- Compare salaries
- Train employees on essential skills through an extensive array of online training courses.

### **Online Enrollment Tools**

Keenan continually strives to bring the best solutions to our clients, including alternatives to our own proprietary solutions. In addition to BenefitBridge, Keenan offers Employee Navigator as an alternative.

Launched in 2008, Employee Navigator serves more than 4,000 insurance brokers, 400+ integrated partners and 160,000+ companies across the country. They've built a platform to help millions of employees enroll in benefits and have a single place for HR to manage it all.

The Employee Navigator platform

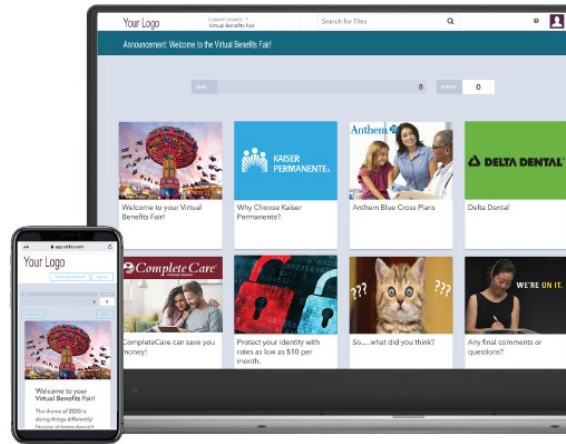
- Quickly enroll new hires
- Compare and select plans
- Review coverage status for all employees
- Monitor employee enrollment status and deadlines
- Setup your own virtual agency call center
- Store, review, and acknowledge important plan documents

Employee Navigator partners with the nation's leading insurance carriers, payroll companies, and TPAs to deliver a connected digital experience for brokers and employers.

## Online Employee Communications Solutions

Public agency workforces are diverse and include personalities that differ in how they wish to seek out benefits information, and how they absorb the information. Thus, Keenan can offer several communications platforms with which to communicate with employees including:

- **Mobile:** Mobile-friendly documents for smartphones or tablets
- **Online:** Web-based flyers, briefings, and other informative materials regarding benefits programs and issues
- **Video/Streaming:** Videos and webinars that explain benefits and/or enrollment processes
- **Applications:** Software applications including AIRBO for virtual health fairs and open enrollment plan education. Please see **Appendix 2** for additional information



These are just some of the examples of the innovative approaches that Keenan has included in a communication strategy. Ultimately Keenan discusses recommended strategies with our clients to provide the most cost-efficient and effective strategy.

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## D. GENERAL SCOPE OF WORK

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*Briefly summarize the scope of work as the proposer perceives or envisions it for each Service Area proposed.*

As your broker/consultant, Keenan will provide the following services to City of Vernon to satisfy each item of the Scope of Services presented in the RFP. The descriptions below are only summaries of our services and we look forward to an opportunity to expand on the advantages Keenan can offer the City of Vernon.

### **Brokerage/Consulting Services for the City of Vernon**

- **Negotiate Annual Benefit Renewals** – Keenan's approach includes a comprehensive look at the plan experience and utilization trends, using appropriate benchmarking tools to identify potential areas of change and targeted utilization management. Our Public Agency market-share affords us unparalleled leverage in the insurance marketplace.
- **Assist with Benefit Plan Design Including Evaluating and Selecting Alternatives** – Through the analytical process, we come up with recommendations to discuss with the City of Vernon. If it is determined that it would be beneficial to evaluate alternatives in the market, Keenan utilizes BenefitPoint, an automated platform for conducting the RFP process and communicating with the carriers and health plans to facilitate timely and accurate quotes and benefit options. We provide benchmarking tools for your agency to compare its benefits attributes to our block of business. Further we can demonstrate the most commonly adopted plan design features and purchasing patterns in the marketplace.
- **Monitor Experience Trends to Formulate Action Plans** – Keenan continuously monitors your claims experience (if available) and vendor performance, keeping you informed on a regular basis and delivering various data on a monthly, quarterly or annual schedule, as appropriate, to the level of financial and utilization analysis. Furthermore, Keenan's dedicated financial analysis, underwriting, and technical unit will support our consultants in the in-depth and detailed study of your benefit expenditures. Our technical team of experienced underwriters, analysts and actuaries identify emerging trends or potentially adverse situations, and then develop sound recommendations to correct or mitigate the financial burden to the City of Vernon. This includes statistical benefit plan reports as another key tool to support the decision-making process.
- **Reporting** - Keenan delivers Annual Stewardship Reports. Stewardship Reports are compiled from a variety of resources, including benefit service provider data and metrics, and offer a complete review of each client's program

during the year. Keenan offers standard items to report out on as well as any metrics specific to the client and their benefits strategy. Additionally, the presentation method is based on the client's requirements. Your Account Executive can present the report in person at any specific meeting, via electronic copy to a single individual or any other presentation method the City requires. Please see **Appendix 3** for a sample Stewardship Report.

- **Identify and Research New Programs** – From our data analysis and strategic planning process with the City of Vernon, Keenan can help to focus on the highest value factors determined from your plan utilization. We formulate recommendations to target these factors and assist with the selection of programs and service providers to achieve your strategic objectives.
- **Serve as Facilitator in Meetings** – Keenan will work alongside your management team to support and present recommendations, trends, and strategic results about your employee benefit programs to your employees and other key stakeholders. We tailor our involvement at the direction of the City of Vernon. We have particular expertise, through our more than 52 years of public sector experience, in facilitating with collective bargaining and joint labor-management meetings.
- **Provide Open Enrollment Support** – Keenan's Service Team is highly experienced in assisting with the full range of open enrollment and employee communications capabilities. From coordination of open enrollment events, design of materials, and implementation of online systems for enrollment and communications, Keenan delivers comprehensive support customized to the needs of the City of Vernon. Additionally, we will continue to review and recommend enhancements for employee and retiree communications, with respect to both the types of communication, as well as the methodology for communicating with the different employee groups. Please see **Appendix 4** for a sample Employee Benefits Guide (5 pages).
- **Provide Legislative and Regulatory Updates & Review Summary Plan and Evidence of Coverage Documents** – Keenan's legal department provides our customers with comprehensive communication and training on legislative and regulatory issues that impact their benefit plans and participants. We regularly issue written briefings to all our clients and provide an annual summary of key compliance considerations in advance of renewal. Additionally, our professional contract specialist and service team are ready to assist in reviewing the insurance provisions in your SPDs and EOCs. We review to make sure that the provisions applied and contracted for are correctly included and that compliance disclosures have been incorporated in the documents.
- **Regulatory and Legislative Compliance Support** – Keenan's legal and technical professionals monitor legislative and regulatory requirements related

to your benefit programs. We provide regular updates via briefings and webinars. Furthermore, your account team will continue to keep you informed of these evolving requirements. Additionally, we monitor all legislative, regulatory and judicial issues that might have a potential impact on your programs and keep you abreast of necessary changes that need to be made as well as present innovative solutions to meet new requirements while mitigating the impact to the quality and cost of your benefit programs. Keenan, however, is not a law firm and therefore does not give legal advice to our clients. We always recommend that our clients consult their own legal counsel to ensure compliance with all federal and state regulations.

- **Provide Comprehensive Wellness Program Consulting** – Keenan has a team of subject matter experts that specifically focus on analyzing, crafting and implementing wellness programs for California public agency clients. Our educated professionals provide valuable analysis and recommendations regarding your wellness program. Keenan's wellness program specialists bring a wealth of practical knowledge and experiences in advocating for the City of Vernon's best interest in dealing with health plans and health management service vendors. The specialist provides data monitoring and analytic expertise.
- **Administrative Tools and Resources** – Keenan has an impressive number of resources that are specifically designed to support California municipalities, with respect to administrative support, including proprietary Keenan-owned technologies. Our suite of services includes BenefitBridge, Health Care Reform consulting and services, COBRA Administration, Retiree Billing and Administration, Enrollment and Communications support as well as Section 125 support.
- **Participation in Keenan's Annual Public Agencies Benefits Survey** – Keenan annually conducts one of the largest public sector benefits surveys in California. The City of Vernon can be included in next year's research.
- **Retiree Liability Management** – Keenan understands the unique needs of the public sector retiree population. These collectively bargained benefits are a valued benefit. Our Municipal practice has the subject matter experts to assist in this important area.

## E. WORK PLAN

*Present concepts for conducting the work plan and interrelationship of all projects. Define the scope of each task including the depth and scope of analysis or research proposed.*

Your dedicated Keenan team will work with the City of Vernon to establish a strategic work plan and complete each requirement and need as described in the RFP. If appointed as your Benefits Broker, we believe our priority is to further understand your benefits needs related to your overall culture and employee concerns. This enables our team to evaluate and recommend the most innovative and best-fitting coverage. Our approach in developing this understanding is different with each client. However, in general, we follow a four-phase action plan, illustrated in the following exhibit.



Using all of the information identified in Phases I through IV of our four-phase action plan, the Service Team will create a two-year strategy. This plan will be more of a “work in progress” as budgetary, and collective bargaining conditions change. Using our knowledge of the California public sector marketplace, our annual surveys of public sector benefit programs, and trend forecasts, changes in the existing programs will be recommended and adjusted to meet the City of Vernon’s projected budgets.

The City of Vernon will receive day-to-day support from the Keenan service team. While there is a primary point of contact from Keenan assigned to provide support, additional personnel are available daily to support your needs. Subject matter experts

for any potential issue are also available daily to assist with an array of issues, from new employee enrollments to resolving issues with carriers or benefits administrators.

Keenan's Legal/Compliance Department maintains dedicated personnel who regularly track both pending and newly enacted legislation to provide updates to our clients promptly. Communication of legislative issues is provided by briefings, webinars, and on-site meetings. While Keenan does not provide legal advice, and always encourages our clients to seek their own legal opinion, Keenan does provide compliance opinions and assists our clients navigate the federal, state and local legislative landscape.

Another component of our Strategic Planning Process is creating timelines for RFPs, renewals, utilization review, and other planning as necessary and appropriate. If it is determined that it would be beneficial to evaluate alternatives in the market, Keenan utilizes BenefitPoint, an automated platform for conducting the RFP process and communicating with the carriers and health plans to facilitate timely and accurate quotes and benefit options. We provide benchmarking tools for your agency to compare its benefits attributes to our block of business. Further, we can demonstrate the most commonly adopted plan design features and purchasing patterns in the marketplace.

Keenan will be available to present and explain renewal plan documents and other benefit insurance trends surveys to various groups, including client-determined committees, divisions, departments, senior staff, and Union groups when appropriate.

There may be special presentations, bargaining unit meetings, off-site meetings, etc., when the City of Vernon or bargaining units may find it valuable to include Keenan. Our clients use our Service Team to conduct information presentations, overviews of the benefits programs, and presentations at bargaining unit chapter meetings.

We also have extensive experience in the collaborative work process involved with employee benefits committees. We believe that understanding and communicating new program options, concerns, and successes through an active Benefits Committee leads to the most successful relationships throughout the organization.

The Keenan Service Department devotes its attention and expertise to resolving problems and meeting our clients' day-to-day administrative needs, including assistance with claims, eligibility, and billing problems that may arise. Your Keenan team will work directly with staff and employees when they have not received a satisfactory response from the carrier or claims administrator.

Our Service Representatives meet regularly with Administrative Staff, Management, and Benefits Committees to review the operation of benefit plans and helps in monitoring how well plans are meeting strategic objectives. This is in addition to arranging employee open enrollment meetings, health fairs, seminars, and other special-purpose presentations. At Keenan, service means being there when needed, alleviating the administrative workload, and achieving greater employee satisfaction with the benefit programs. We serve as your advocate with all your vendors.

Your Keenan Service Team members are experts in providing timely, responsive service. Our business for more than 52 years has been providing quality, cost-effective benefits for California public agencies. We have always come through. We provide you with realistic and obtainable timelines ensuring that your employees have the information, tools, and confidence to choose the right benefits for themselves and their dependents.

## F. FEES AND COSTS

*Proposer shall submit proposed costs in one or both of the following forms:*

**A. Straight commission basis – Must provide estimated commissions for Medical, Dental, Vision, Life and AD&D, LTD, EAP and FSA insurance carriers.**

As compensation for its provision of the Services, Keenan shall receive commissions from insurance carriers and/or other vendors for the placement of insurance coverage. The City of Vernon shall have no responsibility for the payment of any such commission to Keenan. The City of Vernon acknowledges that commissions paid by insurers to Keenan that are directly related to the insurance coverage purchased by the City of Vernon as part of the Plans may impact the pricing that Keenan is able to obtain for the City of Vernon for such coverage.

Commission Percentage of Premium by employee benefit:

Medical		
•	HMO	3.00%
•	PPO	3.00%
Dental		
•	DHMO	10.00%
•	DPPO	10.00%
Vision		10.00%
EAP		10.00%
Life/AD&D		10.00%
LTD		10.00%

**B. Separate annual consulting fee basis.**

The annual consulting fee for the services rendered under this Agreement for the first 3 years of this Agreement will be \$49,975 annually, billed on a monthly basis at \$4,164.58. Year 4 will be \$51,474 annually, billed on a monthly basis at \$4,289.50. Year 5 \$53,108 annually, billed on a monthly basis at \$4,425.67.

Benefits Broker – Flat Rate Annual Fee	
Year 1:	\$49,975
Year 2:	\$49,975

Benefits Broker – Flat Rate Annual Fee	
Year 3:	\$49,975
Year 4:	\$51,474
Year 5:	\$53,108
Total Contract Term:	\$254,507

#### **Additional Considerations**

Proprietary/Add on programs that the City may from time to time participate in are excluded from the above pricing. Examples of such proprietary programs include: Futuris Care, RetireeFirst, KPPC, CompleteCare, Voluntary benefits, and other proprietary programs not yet developed but that may result in savings to the City that are greater than the fee associated with the program.

Keenan will provide a report annually, detailing all compensation. Further details addressing overrides and general compensation issues are included in Keenan's Disclosure Policy, included on our website at <https://www.keenan.com/disclosure-Policy>.

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## G. ABILITY OF THE PROPOSER TO PERFORM

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*Provide a detailed description of the proposer and his/her/its qualifications, including names, titles, detailed professional resumes and past experience in similar work efforts/products of key personnel who will be working on the assignment. Provide a list of specific related work projects that have been completed by the proposer which are directly related to the assignment described in this RFP. Note the specific individuals who completed such project(s). Identify role and responsibility of each member of the project team. Include the amount of time key personnel will be involved in the respective portions of the assignment. Respondents are encouraged to supply relevant examples of their professional product. Provide a list of references.*

The following key personnel will support the City of Vernon's benefits programs. The amount of time the key personnel will be involved in the respective portions of the assignment will be established during post-award meetings with the City and will be based on specific requirements that each personnel supports relative to the scope of services.

The talent that these individuals bring to Keenan makes us an excellent partner in providing expert consulting to evaluate and make best practices recommendations to the City of Vernon in all areas of your benefits program outlined in the Scope of Work of the RFP. Each of these key personnel have extensive experience supporting public sector entities, such as the City of Vernon.

### Key Personnel

- **Terry Luczaj** – Lead Benefits Consultant
- **Edwin Esteron** – Account Executive, Day-to-Day Account Management
- **David Canales** – Senior Service Analyst

### Extended Corporate Support Team

- **Laurie LoFranco** – Senior Vice President, Employee Benefits Distribution Leader
- **Tom Edwards** – Senior Vice President, Underwriting & Actuarial
- **Christine Hough** – Vice President/ Actuary
- **Amy B. Donovan, Esq.** – Senior Vice President and Chief Counsel, Employee Benefits Compliance, Keenan Region

Following are biographies detailing the expertise and the function roles of the key personnel. We have also included biographies for the extended corporate support team the City of Vernon will have access to.

### **Terry Luczaj — Sales Executive, Employee Benefits, Municipalities, Primary Point of Contact**

Terry Luczaj is a results-driven employee benefits consultant with extensive experience in successful business and strategy development who joined Keenan in 2024. With over 27 years of employee benefits experience, both in the carrier and consultant role, he has developed insight that is effective in bringing all stakeholders together to build “win/win” solutions driving true partnerships with his clients and carriers.

Terry graduated from the University of Wisconsin-Whitewater with a Bachelor’s Degree in Business Administration-Finance and has also earned a Chartered Leadership Fellow designation from The American College. Shortly after graduating college, he started his career in the insurance industry as an agent. Terry quickly moved up the leadership ranks with a proven track record of building and supporting top performing growth organizations in several markets across the U.S. Recently he led the West Coast for an emerging employee benefits carrier responsible for building distribution supporting the Public Sector market.

Additionally, Terry is committed to being a student of the industry and continuing a path of education to bring value and insight to his clients. Recently he has attended the following conferences/workshops; League of California Cities, CALPELRA, CalPERS Educational Forum, PSHRA, PARMA, SHRM and PIRHA.

Recently Terry has worked on several projects that will make him an asset to the City of Vernon and the Keenan project management team. A few examples include:

- Negotiated and coordinated with carriers to provide financial and personnel resources for a city client to adopt and implement a benefits administration system. The city also introduced new voluntary benefits designed to improve employee morale and retention. The city was able to offer competitive benefits while reducing overall administration. This also resulted in a more efficient and effective employee education experience and enrollment process as they were able to provide benefit counselors at no cost to the city.
- A public agency client was experiencing higher than expected turnover of their tenured employees. Terry was able to identify opportunities in their retiree medical contribution strategy through conducting a market survey of 16 local benchmark public agencies and cities. He was able to identify and propose solutions that would improve the agency’s competitiveness against their peer group to drive retention of their experienced and skilled labor force.
- A water district was finding it increasingly challenging to recruit and retain new employees as they felt the appeal of the retirement benefits was less of a draw to new hires and potential candidates. Terry performed a CalPERS Classic vs PEPPRA equity study for the water district. By collaborating with Keenan Financial Services, he was able to help the Human Resources team to identify

key challenges and potential solutions. Our team was able to assist the HR leadership in creating presentations that illustrated the key headwinds and recommended solutions to their Board of Directors.

### **Functional Role**

- Lead Consultant for the City
- Coordination of Keenan resources, in order to fulfill the scope of services
- Responsible for providing ongoing account management to City
- Ongoing training and quality assurance review of service team
- Ongoing quality assurance review of underwriting team
- Responsible for providing day to day carrier/vendor oversight
- Responsible for providing and executing comprehensive renewal strategies
- Responsible for providing ongoing plan review and cost savings strategies
- Responsible for reviewing all legislative changes, including ACA
- Preparing for Benefit Insurance Committee Meetings

### **Edwin Esteron — Account Executive**

Edwin Esteron has more than 17 years of employee benefits experience and joined Keenan in 2023. He has extensive experience working with employers helping provide benefits consulting and human resources support to help maintain compliance and improve business performance. Prior to joining Keenan, Edwin worked in the private sector as a Benefits Consultant/Account Manager and has experience in the Professional Employer Organization (PEO) industry.

Edwin organizes and leads health fairs, employee benefits fairs and meetings, negotiates renewal and marketing with carriers and provides his clients with innovative solutions. Edwin holds an Account Manager Certification from NAHU/NABIP and a California State Insurance License in Accident, Health and Life Insurance. Edwin graduated from California State University, Fullerton with a Bachelor of Arts degree in Business Administration.

Edwin has worked on several projects that will make him an asset to the City of Pomona and the Keenan project management team. A few examples include:

- Worked with a City client with a carrier change for their Dental, Vision, Life, and Disability plans. During the marketing process Edwin and the Keenan management team were able to identify an opportunity to have the client offer Disability plans that would allow the client to withdraw from California State Disability. This strategy saved the client and their employees thousands of dollars annually. This also results to a more efficient and effective claims experience for those employees that go on Disability. Edwin coordinated with the new carrier and client throughout the open enrollment process to ensure a smooth transition to the new carrier benefits.

- Worked with a City client to adopt and implement a new benefits administration system. Negotiated and coordinated with carriers to introduce new benefits designed to improve employee morale and retention. Coordinated weekly implementation calls with the benefits administration team and the client to make sure that the implementation would be successful. By the client adopting the new benefits administration system and introducing a more robust and competitive benefits package, they have reduced their overall administration and risk. This also resulted in a more efficient and effective employee education experience and enrollment process as they were able to provide benefit counselors at no cost to the city.
- Worked with a public agency client to change their ancillary benefits carrier and implement a new benefits administration system. The client was experiencing challenges with their benefits administration and HR reporting. Edwin worked with the client to review their current processes and procedures. It was uncovered that the client was still handling open enrollment and New Hire enrollments manually. This change to a new carrier for the ancillary benefits resulted in an enrollment support team and a benefits administration system at no cost to the agency. This also supported the client in streamlining their enrollment process moving forward.

#### **Functional Role**

- Assists and supports the lead consultant.
- Day to day service for City's Human Resources Department.
- Ongoing quality assurance review of underwriting team.
- Builds strong relationships with clients and becomes their advocate with insurance carriers and providers.
- Contracts and benefit booklet reviews.
- Employee communications reviews.
- Facilitates collection of benefit plan renewal data.
- Implementation open enrollment and health and wellness programs

#### **David Canales — Senior Service Analyst**

David Canales has over 20 years of experience in the Health Insurance Industry. He joined Keenan in February 2022 and before that he had worked as a Lead Benefits Administrator and Sales Executive. While working as a Sales Executive he worked closely with his clients on the benefits design strategy, compliance, and benefit administration.

#### **Functional Role**

- Assists and supports the lead consultant.
- Day to day service for City's Human Resources Department.

- Ongoing quality assurance review of underwriting team.
- Builds strong relationships with clients and becomes their advocate with insurance carriers and providers.
- Contracts and benefit booklet reviews.
- Employee communications reviews.
- Facilitates collection of benefit plan renewal data.
- Implementation open enrollment and health and wellness programs

### **Extended Corporate Support Team**

#### **Laurie LoFranco — Senior Vice President, Employee Benefits Distribution Leader**

Laurie LoFranco has more than 36 years' experience in human resources and employee benefits. Laurie joined Keenan & Associates in 2008 after spending the previous 12 years as the Human Resources Director at a City in Southern California. Laurie was the chief negotiator with the unions at the City which included police and fire unions. Laurie managed the PEMCHA medical program and all employee benefits for the City. Laurie holds an IPMA-CP certification and Life and Health Insurance License. Laurie graduated from the College of Notre Dame with a Degree in Human Services and holds a master's in public administration from California State University, San Bernardino.

Laurie's deep industry knowledge, decades of experience, and passion for empowering her team drive innovation in a fast-paced field, ensuring efficiency and success. She presents her clients with creative and powerful benefits solutions that allow them to successfully provide a "Best in Class" benefit package that attracts and retains top talent.

Her expertise creating consensus and trust with unions has helped create a smooth transition when implementing benefit changes.

#### **Tom Edwards — Senior Vice President, Underwriting & Actuarial**

Tom Edwards, Senior Vice President in the Benefits Underwriting and Actuarial Services Department at the Torrance office, is responsible for Statewide Technical Consulting and Strategic Planning for our largest and most significant clients. Tom's responsibilities cross all three of our specialty lines, schools, municipalities and hospitals. He is also responsible for company-wide group benefit research and development, and maintenance and development of insurance carrier relationships.

Prior to joining Keenan in 1987, he worked for The Equitable as underwriting consultant for the northern California region. Tom began his career in the employee benefits industry in 1980 with Transamerica, as Senior Underwriting Consultant and Manager of the Group Contracts department. He has conducted numerous benefit seminars on a wide variety of subjects and contributed articles to several publications.

Tom graduated from California State University, Northridge with a degree in Business Administration. He is also a Fellow of the Life Management Institute (FLMI).

#### **Christine Hough — Vice President, Actuary**

Christine Hough, a Vice President in the Torrance office, has more than 20 years of consulting experience in the employee benefits field. She supports the Account Executives at Keenan in the design and analysis of all lines of insurance coverage that includes medical, dental, life/AD&D, and LTD.

Prior to joining Keenan, Christine was with Mercer Human Resource Consulting and Towers Perrin HR Services where she provided actuarial valuation and consulting services. Her clients included leading companies in the aerospace/defense, energy, motion pictures, banking, engineering/construction, and automotive industries.

Christine is a Fellow of the Society of Actuaries and a member of the American Academy of Actuaries. She has a Bachelor of Science degree in Computer Science and Engineering and a Master of Science degree in Electrical Engineering from California State University, Long Beach.

#### **Amy B. Donovan, Esq. — Senior Vice President and Chief Counsel, Employee Benefits Compliance, Keenan Region**

Amy Donovan is Keenan's primary source for legislative and regulatory research, analysis, and advocacy. Amy authors the firm's briefings and position papers on emerging legislation, regulation and litigation and works with stakeholders at a state and national level to advocate on issues that impact the firm and its clients. As a member of the Council of Insurance Agents and Brokers (CIAB) Legal Counsel Working Group, she meets regularly with federal lawmakers, lobbyists and thought leaders to discuss national trends in health and liability insurance issues. She brings that knowledge to bear in addressing Keenan clients throughout California on such topics as the ACA, Family and Medical Leave Act, Section 125 Cafeteria Plans. She has been with the firm since 2006. Prior to working at Keenan, Amy worked for 11 years as a civil litigator and litigation manager in New Jersey. Among her areas of expertise are employment discrimination and employee benefits. Through her volunteer work with the New Jersey Junior Leagues, Amy also advocated for legislation impacting children's health and safety.

Amy graduated from Smith College with a Bachelor of Arts in American Studies and received her Juris Doctorate from Seton Hall University School of Law, where she handled federal disability appeals as a volunteer and worked as a research assistant for then-Congressman Charles E. Schumer of New York. She is admitted to the bar in both California and New Jersey.

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### Client References

Keenan currently provides services to 1,100 public agency clients. We are pleased to present the following three clients references for whom Keenan is currently providing Health Benefits Brokerage and Consulting services. We would be happy to provide additional client references upon request.

Client Name:	<b>City of Brea</b>
Contact Information:	Michelle Munoz Human Resources Analyst II 714.990.7715 <a href="mailto:michellem@cityofbrea.net">michellem@cityofbrea.net</a>
Contract Start Date:	9/1/2020 to current

Client Name:	<b>City of Fontana</b>
Contact Information:	Rakesha Voss Director of Human Resources and Risk Management 909.350.7648 <a href="mailto:rvoss@fontanaca.gov">rvoss@fontanaca.gov</a>
Contract Start Date:	7/1/2007 to current

Client Name:	<b>City of Fountain Valley</b>
Contact Information:	Carrie Hanes Human Resources Director 714.593.4506 <a href="mailto:carrie.hanes@fountainvalley.gov">carrie.hanes@fountainvalley.gov</a>
Contract Start Date:	1/1/2022 to current

*The selected firm shall not subcontract any work under the RFP nor assign any work without the prior written consent of the City.*

Keenan does not anticipate utilizing subcontractors if awarded this contract. However, Keenan understands that we would need the prior written consent of the City of Vernon in order to do so.

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## H. AFFIDAVIT OF NON-COLLUSION

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*Proposer must submit a completed and executed, "Affidavit of Non-Collusion." (Copy attached as Exhibit A).*

Please see Keenan's completed Affidavit of Non-Collusion immediately following.



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## APPENDICES

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Appendix 1	Keenan's redlined Agreement with exceptions detailed
Appendix 2	Airbo Information Sheet
Appendix 3	Sample Stewardship Report
Appendix 4	Sample Employee Benefits Guide (5 pages)

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## **APPENDIX 1 KEENAN'S REDLINED AGREEMENT WITH EXCEPTIONS DETAILED**

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City of Vernon Health Benefits Brokerage and Consulting Services Request for  
Proposals

EXHIBIT B  
STANDARD FORM SERVICES AGREEMENT

SERVICES AGREEMENT BETWEEN THE CITY OF VERNON AND [CONTRACTOR'S  
NAME] FOR HEALTH BENEFITS BROKERAGE AND CONSULTING SERVICES

COVER PAGE

Contractor:	[insert name of contractor]
Responsible Principal of Contractor:	[insert name, title]
Notice Information - Contractor:	[insert name of contractor] [insert street address] [insert city, state, zip code] Attention: [insert name, title] Telephone: [insert phone number]
Notice Information - City:	City of Vernon 4305 Santa Fe Avenue Vernon, CA 90058 Attention: Lisette M. Grizzelle, Interim Director of Human Resources Telephone: (323) 583-8811 ext. 166
Commencement Date:	[insert commencement date]
Termination Date:	[insert termination date]
Consideration:	Total not to exceed \$[insert amount] (includes all applicable sales tax); and more particularly described in Exhibit B
Records Retention Period	Three (3) years, pursuant to Section 11.20

SERVICES AGREEMENT BETWEEN THE CITY OF VERNON AND [CONTRACTOR'S NAME]  
FOR HEALTH BENEFITS BROKERAGE AND CONSULTING SERVICES

This Agreement is made between the City of Vernon, a California charter City and California municipal corporation ("City"), and [Contractor's Name], a [State incorporated in] corporation ("Contractor").

The City and Contractor agree as follows:

1.0 EMPLOYMENT OF CONTRACTOR. City agrees to engage Contractor to perform the services as hereinafter set forth as authorized by the City Council on \_\_\_\_\_, \_\_\_\_\_.

2.0 SCOPE OF SERVICES.

2.1 Contractor shall perform all work necessary to complete the services set forth in the City's Request for Proposals issued on or about \_\_\_\_\_, and titled Request for Proposals (RFP) Health Benefits Brokerage and Consulting Services, and Contractor's proposal to the City ("Proposal") dated \_\_\_\_\_, Exhibit "A", a copy which is attached to and incorporated into this Agreement by reference.

2.2 All services shall be performed to the satisfaction of City.

2.3 All services shall be performed in a competent, professional, and satisfactory manner in accordance with the prevailing industry standards for such services.

3.0 PERSONNEL.

3.1 Contractor represents that it employs, or will employ, at its own expense, all personnel required to perform the services under this Agreement.

3.2 Contractor shall not subcontract any services to be performed by it under this Agreement without prior written approval of City.

3.3 All of the services required hereunder will be performed by Contractor or by City approved subcontractors. Contractor, and all personnel engaged in the work, shall be fully qualified and authorized or permitted under State and local law to perform such services and shall be subject to approval by the City.

4.0 TERM. The term of this Agreement shall commence on [state date], and it shall continue until [state date which may not be more than three years from the commencement date], unless terminated at an earlier date pursuant to the provisions thereof.

5.0 COMPENSATION AND FEES.

5.1 Contractor has established rates for the City of Vernon which are comparable to and do not exceed the best rates offered to other governmental entities in and

around Los Angeles County for the same services. For satisfactory and timely performance of the services, the City will pay Contractor in accordance with the payment schedule set forth in Exhibit "B" attached hereto and incorporated herein by reference.

5.2 Contractor's grand total compensation for the entire term of this Agreement, shall not exceed [state amount] without the prior authorization of the City, as appropriate, and written amendment of this Agreement.

5.3 Contractor shall, at its sole cost and expense, furnish all necessary and incidental labor, material, supplies, facilities, equipment, and transportation which may be required for furnishing services pursuant to this Agreement. Materials shall be of the highest quality. The above Agreement fee shall include all staff time and all clerical, administrative, overhead, insurance, reproduction, telephone, air travel, auto rental, subsistence, and all related costs and expenses.

5.4 City shall reimburse Contractor only for those costs or expenses specifically approved in this Agreement, or specifically approved in writing in advance by City. Unless otherwise approved, such costs shall be limited and include nothing more than the following costs incurred by Contractor:

5.4.1 The actual costs of subcontractors for performance of any of the services that Contractor agrees to render pursuant to this Agreement, which have been approved in advance by City and awarded in accordance with this Agreement.

5.4.2 Approved reproduction charges.

5.4.3 Actual costs and/or other costs and/or payments specifically authorized in advance in writing and incurred by Contractor in the performance of this Agreement.

5.5 Contractor shall not receive any compensation for extra work performed without the prior written authorization of City. As used herein, "extra work" means any work that is determined by City to be necessary for the proper completion of the Project, but which is not included within the Scope of Services and which the parties did not reasonably anticipate would be necessary at the time of execution of this Agreement. Compensation for any authorized extra work shall be paid in accordance with the payment schedule as set forth in Exhibit "B," if the extra work has been approved by the City.

5.6 Licenses, Permits, Fees, and Assessments. Contractor shall obtain, at Contractor's sole cost and expense, such licenses, permits, and approvals as may be required by law for the performance of the services required by this Agreement. Contractor shall have the sole obligation to pay for any fees, assessments, and taxes, plus applicable penalties and

interest, which may be imposed by law and which arise from or are necessary for the performance of the Services by this Agreement.

6.0 PAYMENT.

6.1 As scheduled services are completed, Contractor shall submit to the City an invoice for the services completed, authorized expenses, and authorized extra work actually performed or incurred according to said schedule.

6.2 Each such invoice shall state the basis for the amount invoiced, including a detailed description of the services completed, the number of hours spent, reimbursable expenses incurred and any extra work performed.

6.3 Contractor shall also submit a progress report with each invoice that describes in reasonable detail the services and the extra work, if any, performed in the immediately preceding calendar month.

6.4 Contractor understands and agrees that invoices which lack sufficient detail to measure performance will be returned and not processed for payment.

6.5 City will pay Contractor the amount invoiced within thirty (30) days after the City approves the invoice.

6.6 Payment of such invoices shall be payment in full for all services, authorized costs, and authorized extra work covered by that invoice.

7.0 CITY'S RESPONSIBILITY. City shall cooperate with Contractor as may be reasonably necessary for Contractor to perform its services; and will give any required decisions as promptly as practicable so as to avoid unreasonable delay in the progress of Contractor's services.

8.0 COORDINATION OF SERVICES. Contractor agrees to work closely with City staff in the performance of Services and shall be available to City's staff, consultants, and other staff at all reasonable times.

9.0 INDEMNITY. Contractor agrees to indemnify City, its officers, elected officials, employees and agents against, and will hold and save each of them harmless from, any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities (herein "claims or liabilities"), including but not limited to professional negligence, that may be asserted or claimed by any person, firm or entity arising out of or in connection with the work, operations or activities of Contractor, its agents, employees, subcontractors, or invitees, provided for herein, or arising from the acts or omissions of Contractor hereunder, or arising from Contractor's performance of or failure to perform any term, provision, covenant or condition of this Agreement, except to the extent such

claims or liabilities arise from the gross negligence or willful misconduct of City, its officers, elected officials, agents or employees.

10.0 **INSURANCE.** Contractor shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damage to property that may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representative, or employees. With the exception of the Professional Liability policy, the policies shall state that they afford primary coverage.

10.1 Automobile Liability Insurance – Primary insurance coverage shall be written on ISO Business Auto coverage form for all owned, hired, and non-owned automobiles or any auto. The policy shall have a combined single limit of not less than one million dollars (\$1,000,000). If Contractor is transporting one or more non-employee passengers in the performance of the services, the automobile liability policy shall have a combined single limit of two million dollars (\$2,000,000). If Contractor owns no autos, a hired, non-owned auto endorsement to the General Liability policy is acceptable.

10.1.1 Contractor agrees to subrogate automobile liability resulting from performance under this agreement by agreeing to defend, indemnify, and hold harmless, the City, and its respective employees, agents, and City Council from and against all claims, liabilities, suits, losses, damages, injuries and expenses, including all costs and reasonable attorney's fees ("Claims"), which are attributable to any act or omission by the Contractor under the performance of the services. The City of Vernon, its directors, commissioners, officers, employees, agents, and volunteers must be endorsed on the policy as additional insureds and, under the Contractors' policy, there shall be a waiver of subrogation, and the policy shall be primary and non-contributory and will not seek contribution from the City's insurance.

10.2 Commercial General Liability Insurance – Contractor shall carry General Liability Insurance covering all operations performed by or on behalf of the Contractor providing coverage for bodily injury and property damage with a single limit of not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) general aggregate limit written on an Insurance Services Office (ISO) Comprehensive General Liability "occurrence" Form CG 00 01 or its equivalent for coverage on an occurrence basis. The City of Vernon, its directors, commissioners, officers, employees, agents, and volunteers must be endorsed on the policy as additional insureds with respect to liability arising out of the Contractor's performance of this Agreement. The additional insured coverage under the Contractor's policy shall be

**Commented [KS1]:** Professional Liability does not allow for additional insured, primary noncontributory, or waiver of subrogation endorsements.

**Commented [KS2]:** No change, unless we want to reference 10.4 for clarity if Vernon sees a need. However, please note that our policies have a combined single limit of one million dollars (\$1,000,000). However, we can comply with this, as our Excess Umbrella policy is more than sufficient to cover the difference.

primary and non-contributory and will not seek contribution from the City's insurance. The policy shall be endorsed to include a waiver of subrogation.

10.2.1 If Contractor intends to employ other contractors as part of the services rendered, the City must approve and will establish the appropriate insurance requirements.

10.2.2 Contractor agrees to subrogate General Liability resulting from performance under this agreement by agreeing to defend, indemnify, and hold harmless, the City, and its respective employees, agents, and City Council from and against all claims, liabilities, suits, losses, damages, injuries and expenses, including all costs and reasonable attorney's fees ("Claims"), which are attributable to any act or omission by the Contractor under the performance of the services.

10.3 Professional Errors and Omissions Coverage in a sum of not less than one million dollars (\$1,000,000), where such risk is applicable. ~~Applicable aggregate must be identified and claims history provided to determine amounts remaining under the aggregates.~~ Contractor shall maintain such coverage for at least one (1) year after the termination of this agreement.

10.4 Umbrella Liability Insurance – An umbrella (over primary) may be used to comply with limits or other primary coverage requirements. When used, the umbrella policy shall apply to bodily injury/property damage and personal injury/advertising injury and shall include a "dropdown" provision providing primary coverage for any liability not covered by the primary policy. The umbrella policy shall have no additional exclusion or coverage difference from the primary policy. The coverage shall also apply to automobile liability.

10.5 Workers' Compensation/Employers Liability - Contractor shall comply with the applicable sections of the California Labor Code concerning workers' compensation for injuries on the job. Compliance is accomplished in one of the following manners:

10.5.1 Provide a copy of the permissive self-insurance certificate approved by the State of California; or

10.5.2 Secure and maintain in force a policy of workers' compensation insurance with statutory limits and Employer's Liability Insurance with a limit of one million dollars (\$1,000,000) per accident. The policy shall be endorsed to waive all rights of subrogation against City, its directors, commissioners, officers, employees, and volunteers for losses arising from performance of this Agreement or

**Commented [KS3]:** We would request that the limits of liability are requested as noted in the first sentence. Also, we would not be able to provide this level of detail on the amounts remaining under the aggregate and claims history. Our policy is for all of AssuredPartners, so this is not something our parent is comfortable sharing.

10.5.3 If Contractor has no employees, it may certify or warrant to the City that it does not currently have any employees or individuals who are defined as "employees" under the Labor Code, and the requirement for Workers' Compensation coverage will be waived by completing the waiver form provided by the City.

10.6 If Contractor maintains broader coverage and/or higher limits than the minimums shown above, City requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

10.7 With the exception of the Professional Liability policy, Contractor shall, where possible, endeavor to have Each insurance policy included in this clause shall be endorsed to state that coverage shall not be cancelled except after thirty (30) days prior written notice to City, except for non-payment of premium where such notice shall be ten (10) days plus mailing time. Notwithstanding the foregoing, some of these policy notice(s) may not be able to endorse their policy(ies), and such notice may come from Contractor, so may also be less time from Contractor to City.

10.8 Insurance shall be placed with insurers with an A.M. Best rating of no less than A-VIII. Any self-insured retention or deductible in excess of \$25,000 must be approved in advance by the City. Any policies written on a claims-based basis must include a minimum of a 3-year tail.

10.9 Prior to the commencement of performance and upon written request from City, Contractor shall furnish City with a certificate of insurance for each policy copies of all relevant provisions of all policies. Each certificate is to be signed by a person authorized by that insurer to evidence coverage on its behalf. The certificate(s) must be in a form approved by City. City may require complete, certified copies of any or all policies upon request.

10.10 Failure to maintain required insurance at all times shall constitute a default and material breach. In such event, Contractor shall immediately notify City and cease all performance under this Agreement until further directed by the City. In the absence of satisfactory insurance coverage, City may, at its option: (a) procure insurance with collection rights for premiums, attorney's fees, and costs against Contractor by way of set-off or recoupment from sums due to Contractor, at City's option; (b) immediately terminate this Agreement and seek damages from the Agreement resulting from said breach; or (c) self-insure the risk, with all damages and costs incurred, by judgment, settlement or otherwise, including attorney's fees and costs, being collectible from Contractor, by way of set-off or recoupment from any sums due to Contractor.

#### 11.0 GENERAL TERMS AND CONDITIONS.

##### 11.1 INDEPENDENT CONTRACTOR.

**Commented [KS4]:** Keenan will provide notice as follows: "30 days' written notice of cancellation, except 10 days for non-payment of premium plus mailing time".

CGL Provisions: "If we cancel this policy for any legally permitted reason other than nonpayment of premium, and a number of days is shown for Cancellation in the Schedule above, we will mail notice of cancellation to the person or organization shown in such Schedule. We will mail such notice to the address shown in the Schedule above at least the number of days shown for Cancellation in such Schedule before the effective date of cancellation." "Schedule: 30 days."

E&O – Our E&O policy is non-cancellable except for nonpayment.

All policies premiums are paid in advance, therefore highly unlikely there would be any cancellation for nonpayment. We cannot comply with the highlighted portion of this provision.

**Commented [KS5]:** Please note that Keenan's Professional Liability self-insured retention is \$5,000,000, so we would like to make City of Vernon aware of this. Please let us know if we can provide any additional information for City of Vernon to approve.

**Commented [KS6]:** I'm afraid our parent cannot provide complete copies of insurance policies, additionally, the carriers do not provide "certified copies". However, they can provide copies of declaration pages and relevant policy provisions in response to a specific question.

11.1.1 It is understood that in the performance of the services herein provided for, Contractor shall be, and is, an independent contractor, and is not an agent, officer or employee of City and shall furnish such services in its own manner and method except as

required by this Agreement, or any applicable statute, rule, or regulation. Further, Contractor has and shall retain the right to exercise full control over the employment, direction, compensation and discharge of all persons employed by Contractor in the performance of the services hereunder. City assumes no liability for Contractor's actions and performance, nor assumes responsibility for taxes, bonds, payments, or other commitments, implied or explicit, by or for Contractor. Contractor shall be solely responsible for, and shall indemnify, defend and save City harmless from all matters relating to the payment of its employees, subcontractors and independent contractors, including compliance with social security, withholding and all other wages, salaries, benefits, taxes, exactions, and regulations of any nature whatsoever.

11.1.2 Contractor acknowledges that Contractor and any subcontractors, agents or employees employed by Contractor shall not, under any circumstances, be considered employees of the City, and that they shall not be entitled to any of the benefits or rights afforded employees of City, including, but not limited to, sick leave, vacation leave, holiday pay, Public Employees Retirement System benefits, or health, life, dental, long-term disability or workers' compensation insurance benefits.

11.2 CONTRACTOR NOT AGENT. Except as the City may authorize in writing, Contractor and its subcontractors shall have no authority, express or implied, to act on behalf of or bind the City in any capacity whatsoever as agents or otherwise.

11.3 OWNERSHIP OF WORK. All documents and materials furnished by the City to Contractor shall remain the property of the City and shall be returned to the City upon termination of this Agreement. All reports, drawings, plans, specifications, computer tapes, floppy disks and printouts, studies, memoranda, computation sheets, and other documents prepared by Contractor in furtherance of the work shall be the sole property of City and shall be delivered to City whenever requested at no additional cost to the City. Contractor shall keep such documents and materials on file and available for audit by the City for at least three (3) years after completion or earlier termination of this Agreement. but nothing shall preclude Contractor from retention for so long as Contractor, in its sole discretion, shall deem appropriate. Contractor shall continue to maintain a perpetual, irrevocable, worldwide license to any documents, materials, and other items furnished, including but not limited to the ability to may make duplicate copies of such materials and documents for its own files or for such other purposes as may be authorized in writing by the City. However, this Section shall not apply for and to the extent that Contractor intended that such documents, materials, and other items noted herein were potentially intended for individuals and organizations other than City, were not contemplated under this AGREEMENT, or are owned by a third-party where Keenan does not have the rights to convey such ownership. Nonetheless, in such situations referenced in the immediate sentence, Contractor shall endeavor to procure and provide a perpetual, irrevocable, worldwide license to any documents, materials, and other items furnished pursuant to this

Agreement, or endeavor to inform City of the limitations of such.

11.4 CORRECTION OF WORK. Contractor shall promptly correct any defective, inaccurate or incomplete tasks, deliverables, goods, services and other work, without additional cost to the City. The performance or acceptance of services furnished by Contractor shall not relieve the Contractor from the obligation to correct subsequently discovered defects, inaccuracy, or incompleteness.

**Commented [KS7]:** We would want to reserve our rights for work product furnished to City of Vernon, but also intended for distribution, use, and all other rights to other Keenan clients. These would be items like newsletters, templates, articles, general information like legislation updates that may generally apply to clients at large, and also resources from third-parties that we do not own (e.g. publications or information from government entities like DOL or EBSA, HIPAA, etc. We don't own this so we couldn't convey it.

We would still need a license for everything we provide- we need to retain our client files to defend ourselves and know what work was performed, defend ourselves, create backups, etc.

11.5 RESPONSIBILITY FOR ERRORS. Contractor shall be responsible for its work and results under this Agreement. Contractor, when requested, shall furnish clarification and/or explanation as may be required by the City, regarding any services rendered under this Agreement at no additional cost to City. In the event that an error or omission attributable to Contractor occurs, then Contractor shall, at no cost to City, provide all necessary design drawings, estimates and other Contractor professional services necessary to rectify and correct the matter to the sole satisfaction of City and to participate in any meeting required with regard to the correction.

11.6 WAIVER. The City's waiver of any term, condition, breach, or default of this Agreement shall not be considered to be a waiver of any other term, condition, default or breach, nor of a subsequent breach of the one waived. The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and executed by a duly authorized representative of the party against whom enforcement of a waiver is sought.

11.7 SUCCESSORS. This Agreement shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective heirs, successors, and/or assigns.

11.8 NO ASSIGNMENT. Contractor shall not assign or transfer this Agreement or any rights hereunder without the prior written consent of the City and approval by the City Attorney, which may be withheld in the City's sole discretion. Any unauthorized assignment or transfer shall be null and void and shall constitute a material breach by the Contractor of its obligations under this Agreement. No assignment shall release the original parties from their obligations or otherwise constitute a novation.

11.9 COMPLIANCE WITH LAWS. Contractor shall comply with all Federal, State, County and City laws, ordinances, rules and regulations, which are, as amended from time to time, incorporated herein and applicable to the performance hereof. Violation of any law material to performance of this Agreement shall entitle the City to terminate the Agreement and otherwise pursue its remedies. Further, if the Contractor performs any work knowing it to be contrary to such laws, rules, and regulations Contractor shall be solely responsible for all costs arising therefrom.

11.10 ATTORNEY'S FEES. If any action at law or in equity is brought to

enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs, and necessary disbursements in addition to any other relief to which such party may be entitled.

11.11 INTERPRETATION.

11.11.1 Applicable Law. This Agreement shall be deemed an agreement and shall be governed by and construed in accordance with the laws of the State of California. Contractor agrees that the State and Federal courts which sit in the State of California shall have exclusive jurisdiction over all controversies and disputes arising hereunder, and submits to the jurisdiction thereof.

11.11.2 Entire Agreement. This Agreement, including any exhibits attached hereto, constitutes the entire agreement and understanding between the parties regarding its subject matter and supersedes all prior or contemporaneous negotiations, representations, understandings, correspondence, documentation, and agreements (written or oral).

11.11.3 Written Amendment. This Agreement may only be changed by written amendment executed by Contractor and the City Administrator or other authorized representative of the City, subject to any requisite authorization by the City Council. Any oral representations or modifications concerning this Agreement shall be of no force or effect.

11.11.4 Severability. If any provision in this Agreement is held by any court of competent jurisdiction to be invalid, illegal, void, or unenforceable, such portion shall be deemed severed from this Agreement, and the remaining provisions shall nevertheless continue in full force and effect as fully as though such invalid, illegal, or unenforceable portion had never been part of this Agreement.

11.11.5 Order of Precedence. In case of conflict between the terms of this Agreement and the terms contained in any document attached as an Exhibit or otherwise incorporated by reference, the terms of this Agreement shall strictly prevail. The terms of the City's Request for Proposals shall control over the Contractor's Proposal.

11.11.6 Construction. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

11.12 TIME OF ESSENCE. Time is strictly of the essence of this agreement and each and every covenant, term, and provision hereof.

11.13 AUTHORITY OF CONTRACTOR. The Contractor hereby represents and warrants to the City that the Contractor has the right, power, legal capacity, and authority to enter into and perform its obligations under this Agreement, and its execution of this Agreement has been duly authorized.

11.14 ARBITRATION OF DISPUTES. Any dispute for under \$25,000 arising out of or relating to the negotiation, construction, performance, non-performance, breach, or any other aspect of this Agreement, shall be settled by binding arbitration in accordance with the Commercial Rules of the American Arbitration Association at Los Angeles, California and judgment upon the award rendered by the Arbitrators may be entered in any court having jurisdiction thereof. The City does not waive its right to object to the timeliness or sufficiency of any claim filed or required to be filed against the City and reserves the right to conduct full discovery.

11.15 NOTICES. Any notice or demand to be given by one party to the other must be given in writing and by personal delivery or prepaid first-class, registered or certified mail, addressed as follows. Notice simply to the City of Vernon or any other City department is not adequate notice.

If to the City:

City of Vernon  
Attention: Lisette M. Grizzelle  
Interim Director of Human Resources  
4305 Santa Fe Avenue  
Vernon, CA 90058

If to the Contractor:

[Insert Contractor Contact Information]

Any such notice shall be deemed to have been given upon delivery, if personally delivered, or, if mailed, upon receipt, or upon expiration of three (3) business days from the date of posting, whichever is earlier. Either party may change the address at which it desires to receive notice upon giving written notice of such request to the other party.

11.16 NO THIRD PARTY RIGHTS. This Agreement is entered into for the sole benefit of City and Contractor and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right or remedy in, under, or to this Agreement.

11.17 TERMINATION FOR CONVENIENCE (Without Cause). City may

terminate this Agreement in whole or in part at any time, for any cause or without cause, upon fifteen (15) calendar days' written notice to Contractor. If the Agreement is thus terminated by City for reasons other than Contractor's failure to perform its obligations, City shall pay Contractor a prorated amount based on the services satisfactorily completed and accepted prior to the effective date of termination. Such payment shall be Contractor's exclusive remedy for termination without cause.

11.18 DEFAULT. In the event either party materially defaults in its obligations hereunder, the other party may declare a default and terminate this Agreement by written notice to the defaulting party. The notice shall specify the basis for the default. The Agreement shall terminate unless such default is cured before the effective date of termination stated in such notice, which date shall be no sooner than ten (10) days after the date of the notice. In case of default by Contractor, the City reserves the right to procure the goods or services from other sources and to hold the Contractor responsible for any excess costs occasioned to the City thereby. Contractor shall not be held accountable for additional costs incurred due to delay or default as a result of Force Majeure. Contractor must notify the City immediately upon knowing that non-performance or delay will apply to this Agreement as a result of Force Majeure. At that time Contractor is to submit in writing a Recovery Plan for this Agreement. If the Recovery Plan is not acceptable to the City or not received within 10 days of the necessary notification of Force Majeure default, then the City may cancel this order in its entirety at no cost to the City, owing only for goods and services completed to that point.

11.19 TERMINATION FOR CAUSE. Termination for cause shall relieve the terminating party of further liability or responsibility under this Agreement, including the payment of money, except for payment for services satisfactorily and timely performed prior to the service of the notice of termination, and except for reimbursement of (1) any payments made by the City for service not subsequently performed in a timely and satisfactory manner, and (2) costs incurred by the City in obtaining substitute performance. If this Agreement is terminated as provided herein, City may require, at no additional cost to City, that Contractor provide all finished or unfinished documents, data, and other information of any kind prepared by Contractor in connection with the performance of Services under this Agreement. Contractor shall be required to provide such document and other information within fifteen (15) days of the request.

11.19.1 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

11.20 MAINTENANCE AND INSPECTION OF RECORDS.

The City, or its authorized auditors or representatives, shall have access to and the right to audit and reproduce any of the Contractor's records to the extent the City deems necessary to insure it is receiving all money to which it is entitled under the Agreement and/or is paying only the amounts to which Contractor is properly entitled under the Agreement or for other purposes relating to the Agreement.

The Contractor shall maintain and preserve all such records for a period of at least three (3) years after termination of the Agreement.

The Contractor shall maintain all such records in the City of Vernon. If not, the Contractor shall, upon request, promptly deliver the records to the City of Vernon or reimburse the City for all reasonable and extra costs incurred in conducting the audit at a location other than the City of Vernon, including, but not limited to, such additional (out of the City) expenses for personnel, salaries, private auditors, travel, lodging, meals, and overhead.

11.21 CONFLICT. Contractor hereby represents, warrants, and certifies that no member, officer, or employee of the Contractor is a director, officer, or employee of the City of Vernon, or a member of any of its boards, commissions, or committees, except to the extent permitted by law.

11.22 HEADINGS. Paragraphs and subparagraph headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

11.23 ENFORCEMENT OF WAGE AND HOUR LAWS. Eight hours labor constitutes a legal day's work. The Contractor, or subcontractor, if any, shall forfeit twenty-five dollars (\$25) for each worker employed in the execution of this Agreement by the respective Contractor or subcontractor for each calendar day during which the worker is required or permitted to work more than 8 hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of Sections 1810 through 1815 of the California Labor Code as a penalty paid to the City; provided, however, work performed by employees of contractors in excess of 8 hours per day, and 40 hours during any one week, shall be permitted upon compensation for all hours worked in excess of 8 hours per day at not less than 1½ times the basic rate of pay. 11.25 EQUAL EMPLOYMENT OPPORTUNITY PRACTICES.

Contractor certifies and represents that, during the performance of this Agreement, it and any other parties with whom it may subcontract shall adhere to equal employment opportunity practices to assure that applicants, employees and recipients of service are treated equally and

are not discriminated against because of their race, religion, color, national origin, ancestry, disability, sex, age, medical condition, sexual orientation or marital status. Contractor further certifies that it will not maintain any segregated facilities. Contractor further agrees to comply with The Equal Employment Opportunity Practices provisions as set forth in Exhibit "C".

[Signatures Begin on Next Page].

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Commencement Date stated on the cover page.

City of Vernon, a California charter City  
and California municipal corporation

[CONTRACTOR'S NAME], a [State  
incorporated in] corporation

By: \_\_\_\_\_  
Daniel Calleros, Interim City  
Administrator

By:  
Name:  
Title:

ATTEST:

\_\_\_\_\_  
Yonnie Parker, Deputy City Clerk

By:  
Name:  
Title:

APPROVED AS TO FORM:

\_\_\_\_\_  
Zayna N. Moussa,  
City Attorney

EXHIBIT A  
CONTRACTOR'S PROPOSAL

EXHIBIT B  
SCHEDULE

EXHIBIT C  
EQUAL EMPLOYMENT OPPORTUNITY  
PRACTICES PROVISIONS

- A. Contractor certifies and represents that, during the performance of this Agreement, the contractor and each subcontractor shall adhere to equal opportunity employment practices to assure that applicants and employees are treated equally and are not discriminated against because of their race, religious creed, color, national origin, ancestry, handicap, sex, or age. Contractor further certifies that it will not maintain any segregated facilities.
- B. Contractor agrees that it shall, in all solicitations or advertisements for applicants for employment placed by or on behalf of Contractor, state that it is an "Equal Opportunity Employer" or that all qualified applicants will receive consideration for employment without regard to their race, religious creed, color, national origin, ancestry, handicap, sex or age.
- C. Contractor agrees that it shall, if requested to do so by the City, certify that it has not, in the performance of this Agreement, discriminated against applicants or employees because of their membership in a protected class.
- D. Contractor agrees to provide the City with access to, and, if requested to do so by City, through its awarding authority, provide copies of all of its records pertaining or relating to its employment practices, except to the extent such records or portions of such records are confidential or privileged under state or federal law.
- E. Nothing contained in this Agreement shall be construed in any manner as to require or permit any act which is prohibited by law.

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## APPENDIX 2 AIRBO INFORMATION SHEET

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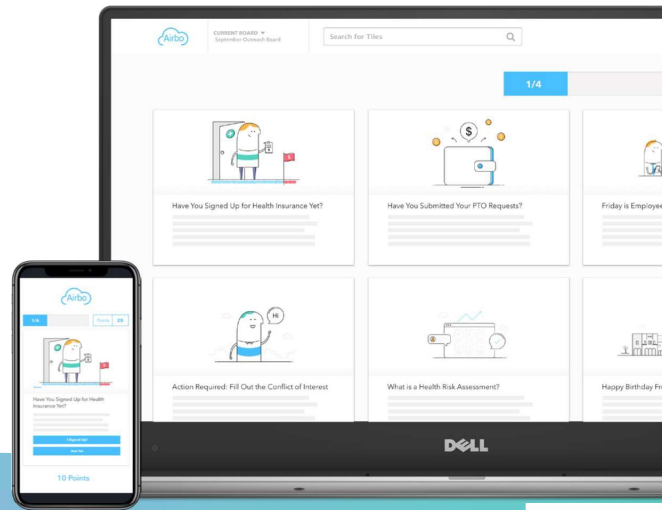


| *Keenan*

## Communications Employees Love

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#### EMPLOYEE ENGAGEMENT & CULTURE

Increase readership of company news, drive event attendance, and gather feedback.

#### WELLNESS

Boost participation in existing programs. Deliver weekly challenges for mindfulness, nutrition, and more.

#### OPEN ENROLLMENT

Help employees pick their new plan, direct them to resources, and drive deadline compliance.

#### HIGH DEDUCTIBLE HEALTH PLAN EDUCATION

Improve enrollment, satisfaction, and reduce unexpected issues.

#### HEALTHCARE CONSUMERISM

Reduce health care costs through education on how to get the right care at the best price.

#### ONBOARDING

Speed up time-to-competency by making employee orientation fun and interactive.

#### RECRUITING

Attract better candidates by featuring your culture and benefits. Promote referral bonus and social job sharing.

#### COMPLIANCE

Reduce the time to complete items and increase completion rates.

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## APPENDIX 3 SAMPLE STEWARDSHIP REPORT

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# **Client 2020 Stewardship Report**

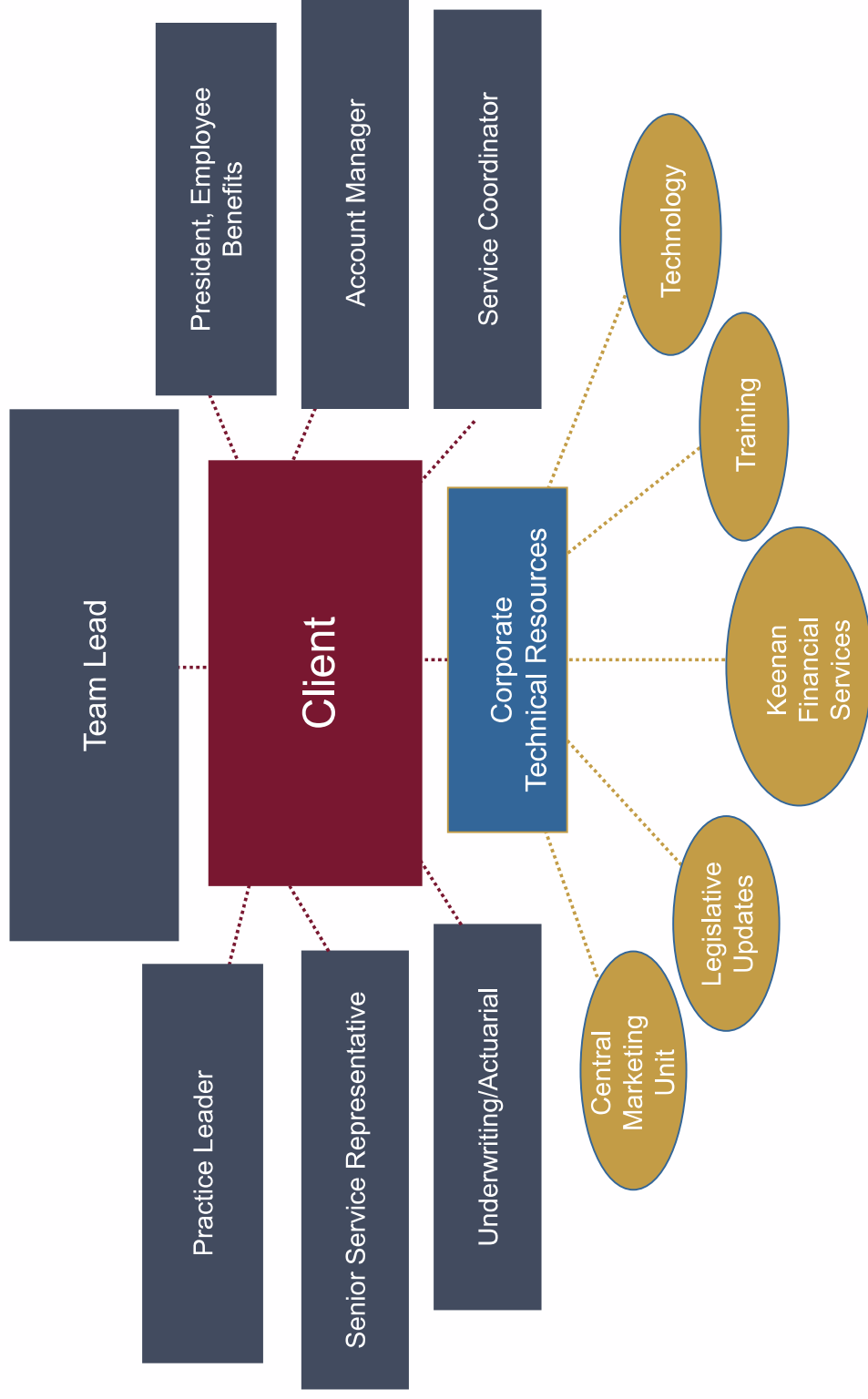
**Presented by  
Service Team  
1<sup>st</sup> Quarter, 2020**



# Agenda

- Your Keenan Benefits Team
- Purpose of Stewardship Report – Keenan’s Role
- Market Trends
- Stewardship Report
  - 2019 Highlights and 1/1/2020 Renewal Decisions
  - Strategic Planning for 2020 and 2021
- Value-Added Services
  - Legislative Updates
  - Webinars
  - Additional Services

# Your Keenan Benefits Team



# Purpose of Stewardship Report – Keenan's Role

- Renewal negotiations
- Marketing
- Implementation of new plans
- Technology solutions
- Benefits underwriting and actuarial analysis, rate setting, implementing and record keeping
- Review plan documents, applications, employee communications
- Carrier liaison
- Insurance Benefits Committee participation and presenter
- Retiree benefits administration/consulting
- Information on current market trends



## **Purpose of Stewardship Report – Keenan's Role**

- Training webinars on topics such as COBRA, Healthcare Reform, HIPAA, GASB, FMLA
- Service support to Client's Human Resources Staff:
  - Review and consult on employee communications
  - Keep Client current on Federal and State Compliance Requirements
  - Back office support to address/resolve escalated claim, billing, and eligibility issues



# HEALTH CARE TRENDS

# Health Care Trends – In the News

- A report by medical liability insurer Coverys says diagnosis-related claims (32%) and surgery (25%) are the most common causes for overall med mal claims. “In an era of productivity and profitability, surgeons and their supporters are challenged to do more with less time. More procedures, more patients, more billing codes. And these pressures can have patient safety consequences.”<sup>1</sup>
- Mallinckrodt Pharmaceuticals, the largest generic opioid manufacturer in the U.S., has agreed to settle thousands of lawsuits brought by states and local governments over its role in the opioid crisis by tentatively agreeing to pay \$1.6 billion and filing Chapter 11 bankruptcy.<sup>2</sup>
- Five dozen drug makers raised its list prices with the average price increase around 5.8%. Most patients, however, don’t pay these prices; the list prices don’t take into account rebates, discounts, and insurance payments<sup>3</sup>
- Haven Healthcare offers pilot program to 30,000 JP Morgan Chase employees in Ohio and Arizona (Haven Healthcare is a joint venture formed by JPMorgan Chase, Berkshire Hathaway and Amazon). Two plans offered with no deductibles, but do have a fixed pricing schedule. Employees can earn money each month through wellness activities, meeting health targets and other measures; the money earned can go toward physician visits or prescription drugs.<sup>4</sup> On May 13, 2020, Haven announced its CEO is stepping down.<sup>5</sup>

<sup>1</sup>February 25, 2020, [www.businessinsurance.com](http://www.businessinsurance.com), *Most surgery med mal allegations related to performance*

<sup>2</sup>February 25, 2020, [www.nytimes.com](http://www.nytimes.com), *Mallinckrodt Reaches \$1.6 Billion Deal to Settle Opioid Lawsuits*

<sup>3</sup>January 2, 2020, [www.marketwatch.com](http://www.marketwatch.com), *Drug prices rise 5.8% on average in 2020*

<sup>4</sup>November 4, 2019, [www.healthcarefinancenews.com](http://www.healthcarefinancenews.com), *Haven rolls out health plan pilot for some employees*

<sup>5</sup>May 13, 2020, [www.medcitynews.com](http://www.medcitynews.com), *Gawande steps down as CEO of Haven, underscoring how hard it is to change healthcare*

# Health Care Trends – Medical and Rx

<b>Access To Care</b>	<ul style="list-style-type: none"> <li>• Average Covered California premium increase for 2020 will be 0.8.%. Increases or reductions vary across 15 regions.<sup>1</sup></li> <li>• CA uninsured rate remained at 7.2% for 2018 as in 2017. The 2020 CA individual mandate is thought to have helped stabilize this rate in CA.<sup>1</sup></li> </ul>
<b>Cost of Care</b>	<ul style="list-style-type: none"> <li>• The annual National health spending increase for the 2020-2027 period is projected to be 5.7%, up from 4.8% in 2019.<sup>2</sup></li> <li>• National insured population is projected to be 90% for the 2019-2027.<sup>2</sup></li> <li>• The average annual premiums for employer-sponsored health insurance in 2019 are \$7,188 for single coverage and \$20,576 for family coverage. The average 2019 premium for family coverage increased 10.5% since 2018.<sup>3</sup></li> </ul>
<b>Health care reform</b>	<ul style="list-style-type: none"> <li>• On December 17, 2019, Congress reached a government funding agreement that includes language to fully repeal three taxes enacted as part of the Affordable Care Act (ACA): the Cadillac Tax, the Health Insurance Tax, and the Medical Device Tax.</li> <li>• Repeal of the ACA's Individual Mandate penalty effective January 1, 2019. The Employer Mandate and all employer reporting requirements remain in effect. CA Individual Mandate effective 1/1/20.</li> <li>• Appeal filed in controversial case – <i>Texas v. Azar</i> – after lower court declared entire ACA invalid. The law remains in effect while the case makes it way through the courts.</li> <li>• Rx reform legislation is active in Congress, but no clear path to passage during an election year.</li> <li>• CARES Act repealed ACA requirement of prescription for OTC reimbursements and expanded reimbursable expenses.</li> </ul>

## References:

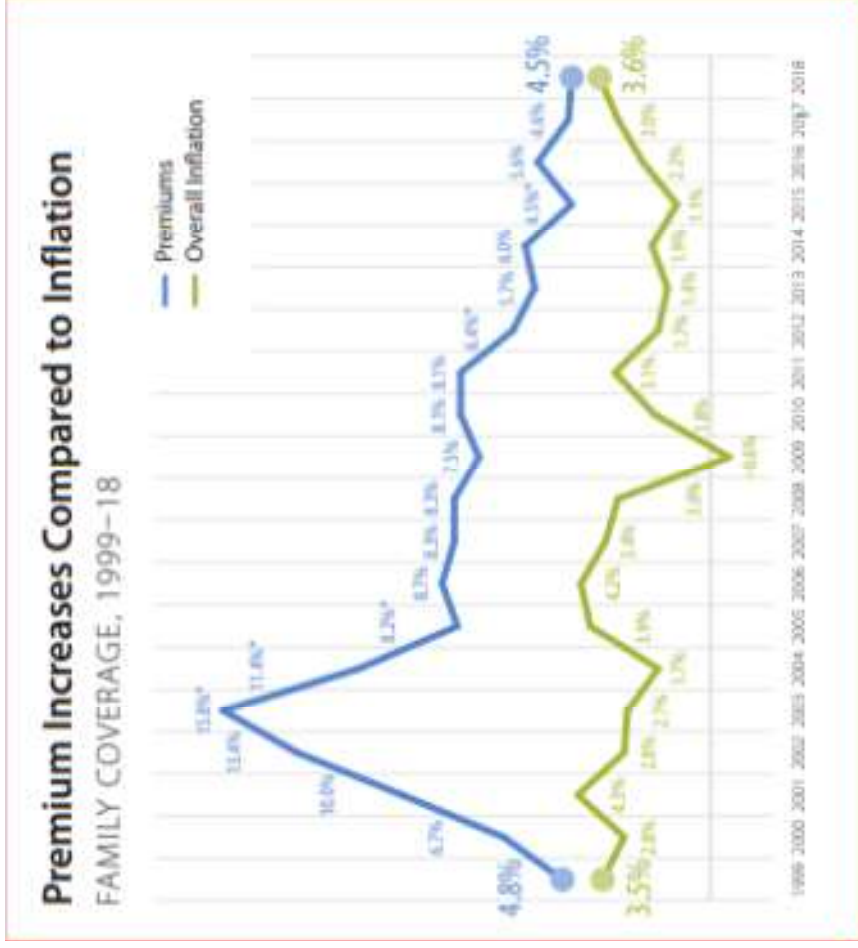
1. Covered California 7/19/19 news release
2. CMS National Health Expenditure Data NHE Forecast Summary, NHE Projections 2018-2027 [www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports](http://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports)
3. Kaiser Family Foundation, 2019 Employer Health Benefit Survey, 9/25/19

# The Current California Fiscal Landscape

- **Good News:**
  - Rainy Day reserves of approx. \$17.5 billion, state's prior years payment of debt, maintenance of multiyear balanced budget and significant cash cushion make CA better prepared to weather public health crisis and economic downturn
- **Bad News and Uncertainties:**
  - Economic disruption from COVID-19 expected to result in recession
  - Unemployment jumped from 3.9% in February to 5.3% in March and rising—may peak at over 16% according to UCLA Anderson Forecast
  - Eventual impact of COVID-19 on health insurance premiums unknown, Covered California estimates COVID-19 treatment and testing costs will range from \$34 to \$251 billion for commercial insurers in U.S.

Rev. 12/2019

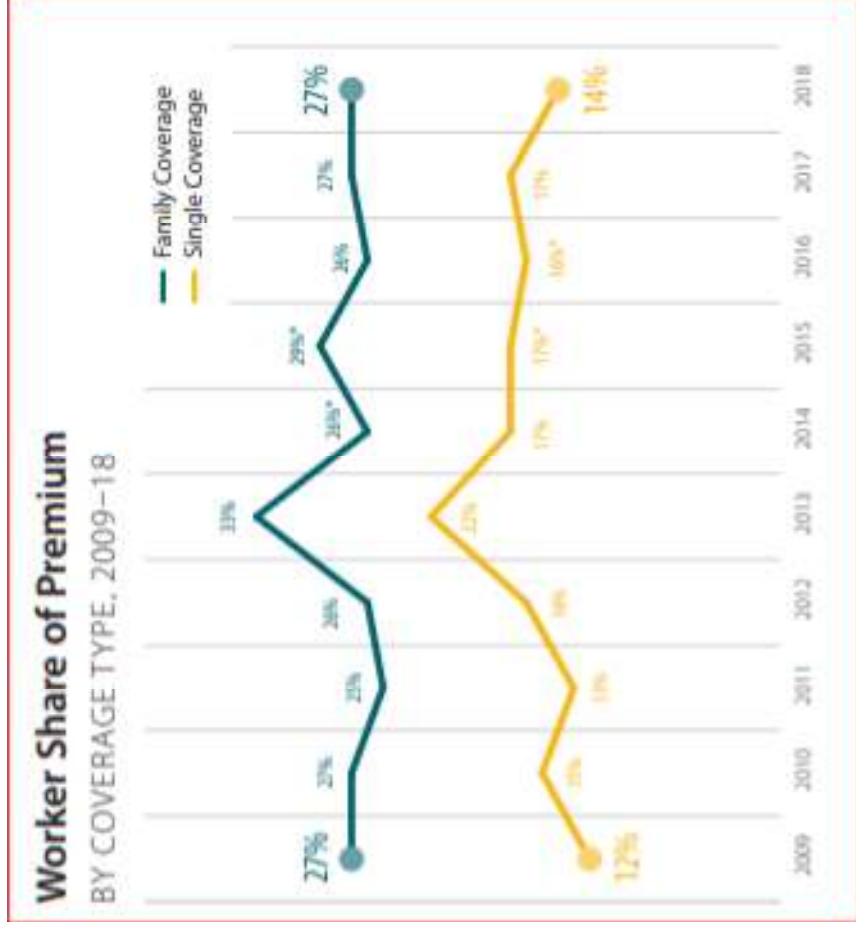
# California Employer Health Benefits



In 2018, although the smallest gap seen since 1999, premium inflation continues to outpace overall inflation by 0.9%.

Source: August 29, 2019 California Health Care Foundation, 2019 Edition – California Employer Health Benefits

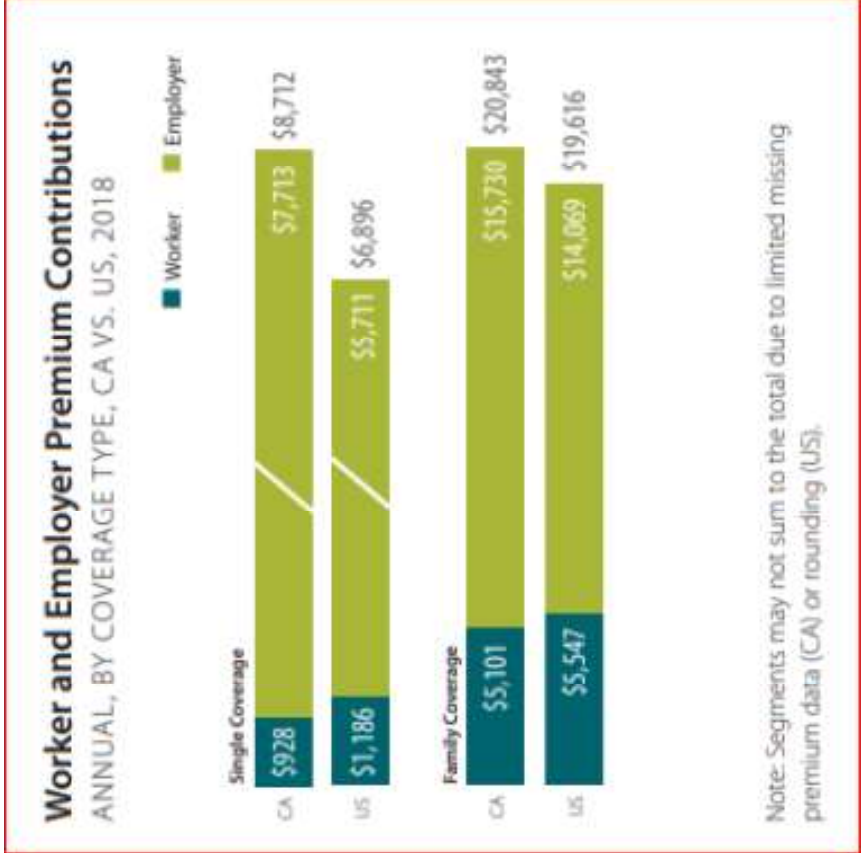
# California Employer Health Benefits



In 2018, the average employee share for single coverage was 14% and for family coverage was 27%.

Source: August 29, 2019 California Health Care Foundation, 2019 Edition – California Employer Health Benefits

# California Employer Health Benefits



In 2018, CA employers paid a higher share of the premium costs when compared to the nation.

**Average Increase in Annual Premiums, 2018**

BY PLAN TYPE	Average Increase in Annual Premiums, 2018
All plans	4.5%
HMO	3.6%
PPO	4.6%
POS	4.1%
HDHP/SO	7.2%

Source: August 29, 2019 California Health Care Foundation, 2019 Edition – California Employer Health Benefits



# **STEWARDSHIP REPORT 2019 HIGHLIGHTS AND 1/1/2020 RENEWAL DECISIONS**



# Client 2019 Meeting Dates

- January 22 – HR Director/Manager Meeting & Staff Training
- March 19 – HR Director/Manager Meeting & Staff Training
- April 12 – 2018 Stewardship Report Review
- May 2 – HR Director/Manager Meeting; Introduction to Retiree First; & Insurance Benefits Committee Meeting
- May 16 – HR Director/Manager Meeting & Staff Training
- July 18 – HR Director/Manager Meeting, Staff Training, & Insurance Benefits Committee Meeting
- August 2 – HR Director/Manager Meeting & Insurance Benefits Committee Meeting
- August 8 – Board Meeting
- August 9 – Insurance Benefits Committee Meeting & Vendor Interview

# Client 2019 Meeting Dates

- September 19 – HR Director/Manager Meeting & Insurance Benefits Committee Meeting
- October 9 – Insurance Benefits Committee Meeting (Finalist interviews)
- October 11 – Retiree Introduction to Retiree First and Luncheon
- October 17 – Retiree Health Fair
- October 23 – Health Benefits Fair (Active employees)
- November 7 – Call with Anthem, HR Director/Manager Meeting, Staff Training, & Insurance Benefits Committee Meeting
- December – Anthem Medical Clinical Review
- December 4 – KeenanWell Strategic Planning Meeting



# 2019 Key Benefits Initiatives

## Benefit Plans

- Medical Renewal Strategies
    - Status Quo – accept renewals based on underwriting’s determination of rates
    - No rate decreases – apply rate decreases to buy down higher increases
  - Medical, dental and vision plans renewed (through JPA)
- Active Employees and Early Retirees
- Anthem: HMO +3.25% and 0% for PPO/HDPPO plans, Kaiser +7.78%
  - Delta Dental: 0.0% for DPPO and +4.33% for DHMO (DeltaCare)
  - Vision Service Plan: +2.0%

### Retiree 65+

- Retiree First: -22.38% (replaced Hartford/Express Scripts)
- Kaiser Senior Advantage High Option: +1.37%
- Kaiser Senior Advantage Low Option: +1.37%

# 2018 Key Benefits Initiatives

## Benefit Plans (continued)

- Exploration of Health Carrier
  - Discussion with Health Carrier to assess whether a partnership is in the Client's best interest
  - Facilitated Health Carrier introduction to Insurance Benefits Committee for interview and questions
  - Decision from Insurance Benefits Committee and Client to not move forward for 2020 benefits
- Anthem and Kaiser Parity
  - Member age study conducted to assess the population risk between the Anthem and Kaiser plans; study showed Kaiser's member population was different than Anthem
  - To mitigate adverse selection of the EPO, the Kaiser rates were adjusted
- Supplemental Life (new coverage) enrollment completed
  - Due to successful Basic Life enrollment (greater than 15% participation), a rate discount applied
  - Supplemental Life effective May 1, 2019

# 2019 Key Benefits Initiatives

- Voluntary Benefits Marketing
  - Coverages: Critical Illness, Hospital Indemnity, and Accident Coverage
  - Received waiver of procurement process (April 23, 2019)
  - RFP re-released to the Marketplace on April 24, 2019
  - Reviewed results with Insurance Benefits Committee on September 19, 2020; three finalists were selected: Aflac, UnitedHealthcare, and Voya
  - Finalist interviews conducted on October 9<sup>th</sup> by Insurance Benefits Committee
  - Voya selected for a 2020 effective date for all three lines of coverage

## Wellness – KeenanWell

- Created a three and five year timeline
- Developed an incentive program for subscriber compliance to annual physical exam, dental exam and vision exam
- Strategy includes working with payroll system to ensure adherence to benefit incentive \$10 per pay period for individual, \$20 for individual plus spouse/partner, and \$25 for individual and family

# 2019 Key Benefits Initiatives

## Retiree Benefits

- Placed the retiree medical out to bid for the third consecutive year
- Retiree First provided comparable medical and prescription drug options with savings of \$120.64 per retiree per month (an annual savings of \$1,447.68 per retiree and \$796,224 savings collectively for 550 retirees)
- Retiree Board approved proposal on August 8<sup>th</sup> replacing Hartford and Express Scripts
- Introductory Luncheon by Retiree First held on October 11<sup>th</sup> at Named Hotel
- October 17<sup>th</sup> – Retiree Health Fair luncheon with Retiree First available
- Benefit differences: acupuncture and prosthetics are not covered with Retiree First benefit plans
- 550 Retirees enrolled on January 1, 2020

# 2019 Key Benefits Initiatives

## Benefits Administration

- Provided guidance/training on compliance, benefits and human resources issues to the Client's HR staff
- Worked with BenAdmin to resolve enrollment/eligibility/rate issues for the Client.
- Worked with the Client's wellness subcommittee to define wellness goals and implement wellness activities.
- Met with the Client's Insurance Benefits Committee on a regular basis to receive their advice and share developments of the Client's benefit program
- Assisted the Client's Insurance Benefits Committee to analyze and select a new Voluntary Benefits Carrier
- Streamlined rate development, rate bundling, and rate communication

## Compliance

- Legislative / Affordable Care Act updates
- 2019 Important Notices Guide and SBCs provided

# Strategic Planning for 2020/2021

- Consulting Agreement Renewal
  - BAA agreement included in the Retiree First Consulting Agreement
  - With Voluntary Benefits' enrollment, Keenan Consulting Agreement to be reviewed and revised
- Health benefit plan renewal January 1, 2021 (see renewal timeline)
- Client meetings
  - Executive strategic planning meetings bi-monthly
  - HR Staff support as needed
  - Insurance Benefits Committee meetings quarterly
  - Wellness Subcommittee as needed
  - Retiree medical as needed
  - Health Fair and Open Enrollment support as needed

# Renewal Timeline

## 2<sup>nd</sup> Quarter 2020

- Develop renewal strategy
- Review plan designs
  - Eliminate/add plans?
  - Add Kaiser HSA?
  - Other plan design changes?
- Insurance for household needs:
  - Homeowner's/Renter's
  - Auto
  - Pet
- Continue to develop Wellness Program
- Financial Wellness (employee education)

## July 2020

- Receive preliminary renewal rates
- Analyze rates and develop overall renewal strategy
- Make final decisions on any benefit design strategies

## August 2020

- Receive final renewal rates
- Adjust rate model for finalized rates
- Prepare report for Board approval
- Receive retiree Medicare rates

## September – December 2020

- Prepare open enrollment material
- Health Fair
- Open enrollment
- Testing of enrollment

## January 1, 2021 – Plan effective date

# Strategic Planning for 2020/2021

- What is the biggest challenge you face in managing your employee benefits program?
- What changes to your program would make your employees happier and improve recruiting and retention?
- Other Issues?
- How else can we be of assistance to the Client?

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# **ADDITIONAL KEENAN VALUE-ADD SOLUTIONS AND SERVICES**

# 2019 Legislation

Keenan

BRIEFING  
DECEMBER 2019

## LOWER HEALTH CARE COSTS ACT OF 2019: PROPOSED LEGISLATION TO ESTABLISH NEW COMPENSATION DISCLOSURE & TRANSPARENCY REQUIREMENTS

In early December, Democrats and Republicans in Congress continued to take steps toward enacting the Lower Health Care Costs Act of 2019 (H.R. 1633). The bill, which was introduced by Representative Frank Pallone (D-NJ) and Greg Walden (R-OR), leaders of the House Energy and Commerce Committee, would establish new compensation disclosure and transparency requirements, and temper the ability of out-of-network providers to balance bill patients (go to <https://www.healthcare.gov/bills/1633/> for more information). The Senate Health Committee has released a draft, yet no discussion outline of the bill, which can be found at:

<https://www.healthcare.gov/bills/1633/section-by-section-FINAL.pdf>

Most relevant to Keenan clients would be Titles II, III, and IV of the bill, as summarized below:

### TITLE II: TRANSPARENCY

The bill includes a number of measures that have a stated aim of improving transparency in health care contracting and pricing. As set forth below, the bill would:

- Ban gag clauses in contracts between providers and health plans that prevent providers from disclosing or referring providers from using cost and quality data on providers for plan administration and quality improvement purposes
- Establish a competitive bidding program to create and improve state All Payer Claims databases
- Require health plans to have up to date directories of their network providers
- Require health facilities and practitioners to give patients a list of network providers received within 15 days of discharge or date of visit and submit bill to payers within 20 days
- Require providers and plans to give patients good faith estimates of expected out-of-pocket costs
- Require health benefit brokers and consultants to disclose to customers any direct or indirect compensation the brokers and consultants may receive

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Associates

BRIEFING UPDATED  
NOVEMBER 2019

## 2020 BENEFIT LIMITS FOR HEALTH & WELFARE PLANS

### UPDATED TO REFLECT NEWLY RELEASED INFORMATION

Every year, the U.S. Government sets new limits for various benefit programs to reflect inflation and changes in the law. Following are the limits announced for 2020. Employers should review their benefit plans to ensure they reflect these new limits.

Retirement Plans		2019	2020
Limits On Benefits And Contributions:			
o Defined benefit plan, basic limit		\$225,000	\$250,000
o Defined contribution plan, basic limit		\$56,000	\$57,000
o 401(k) and 408(a) plans, elective deferrals		\$19,000	\$19,500
o 401(k) and 408(a) plans, non-elective deferrals		\$6,000	\$6,050
o SIMPLE plans, elective deferrals		\$13,000	\$13,500
o Annual compensation limit		\$280,000	\$285,000
Catch-Up Contributions			
o 401(k), 408(a) or governmental 457 plans		\$6,000	\$6,500
o SIMPLE plans		\$3,000	\$3,000
"Highly Compensated" Definition		\$125,000	\$130,000
"Officer" Or "Key Employee" Definition		\$183,000	\$185,000

Health Savings Accounts		2019	2020
Contributions			
o Individual		\$3,500	\$3,550
o Family		\$7,000	\$7,100
Minimum Annual Deductible			
o Self-Only		\$1,350	\$1,400
o Family		\$2,700	\$2,800
Out-of-Pocket Maximums (OOPM)			
o Self-Only		\$6,750	\$6,900
o Family		\$13,500	\$13,800
Roth 401(k) Catch-Up Limit		\$1,000	\$1,000

California Legislative Summary:  
Employee Benefits  
2018 - 2019 End of Session

October 2019

Keenan

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# 2019 Legislation (continued)

- **Lower Health Care Costs Act of 2019: Proposed Legislation to Establish New Compensation Disclosure & Transparency Requirements**  
December 18, 2019
- **New Rules to Impose Price Transparency Requirements for Health Care Services**  
November 21, 2019
- **2020 Benefit Limits for Health & Welfare Plans**  
November 1, 2019
- **FAQs on California's Individual Mandate**  
November 1, 2019
- **Health Care Reform: Changes in Medicare Part D Out-of-Pocket Expenses in 2020**  
November 1, 2019
- **California Legislative Summary: Employee Benefits 2018-2019 End of Session**  
October 24, 2019

# 2019 Legislation (continued)

- **California Employee Benefits Legislative Summary: August 2019 Update**  
August 15, 2019
- **SB 30: California Changes its Domestic Partners Definition – Effective January 1, 2020**  
August 1, 2019
- **Health Care Reform: Affordable Care Act Affordability Rate Effective January 1, 2020**  
July 25, 2019
- **Health Care Reform: Guidance for Preventive Care Benefits Under a HDHP**  
July 25, 2019
- **Health Care Reform: Self-Insured Government Plans New Information for Claims Denials**  
July 24, 2019
- **President Trump Issues New Executive Order Regarding Healthcare**  
June 27, 2019

# 2019 Webinars

☰


Keenan


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Careers

Client Login

Q




**Webinars**




Wildfire Disaster Assistance Guidance for California Schools

December 13, 2018



Cyberbullying: The Solution Takes a Village!

December 29, 2017



Charter School HR Network Webinar – ERISA Compliance & FMLA Administration!

June 13, 2017

**Webinar Archive**

Please visit our YouTube channel to view our entire catalog of webinars.


**Upcoming Webinars**

There are no upcoming webinars at this time.

28


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# AP Keenan Blog @





Keenan


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 / Knowledge Center / Blog



Final Forms and Instructions Released for 2019 Information Reporting  
December 17, 2019  
By: Amy Donovan



Congressional Leaders Attempt Bipartisan Approach to Lowering Health Care Costs  
December 10, 2019  
By: Amy Donovan



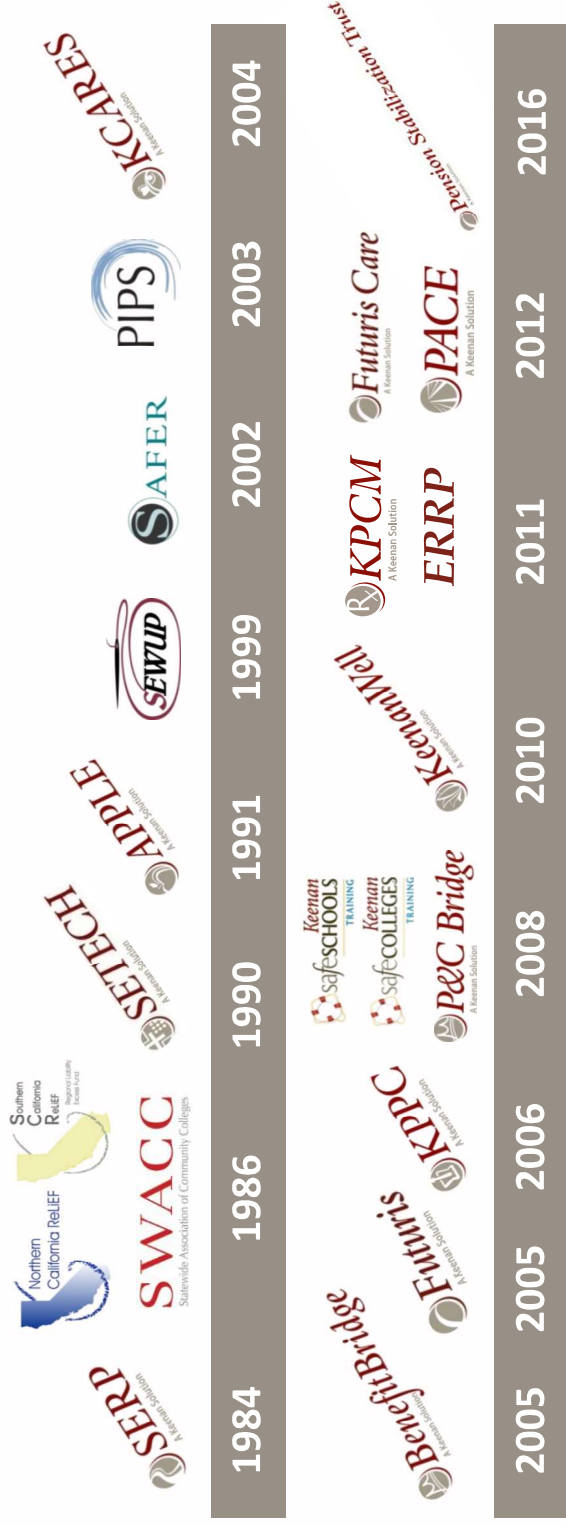
IRS Extends Deadline to Provide ACA Forms to Employees  
December 04, 2019  
By: Kevin Koop

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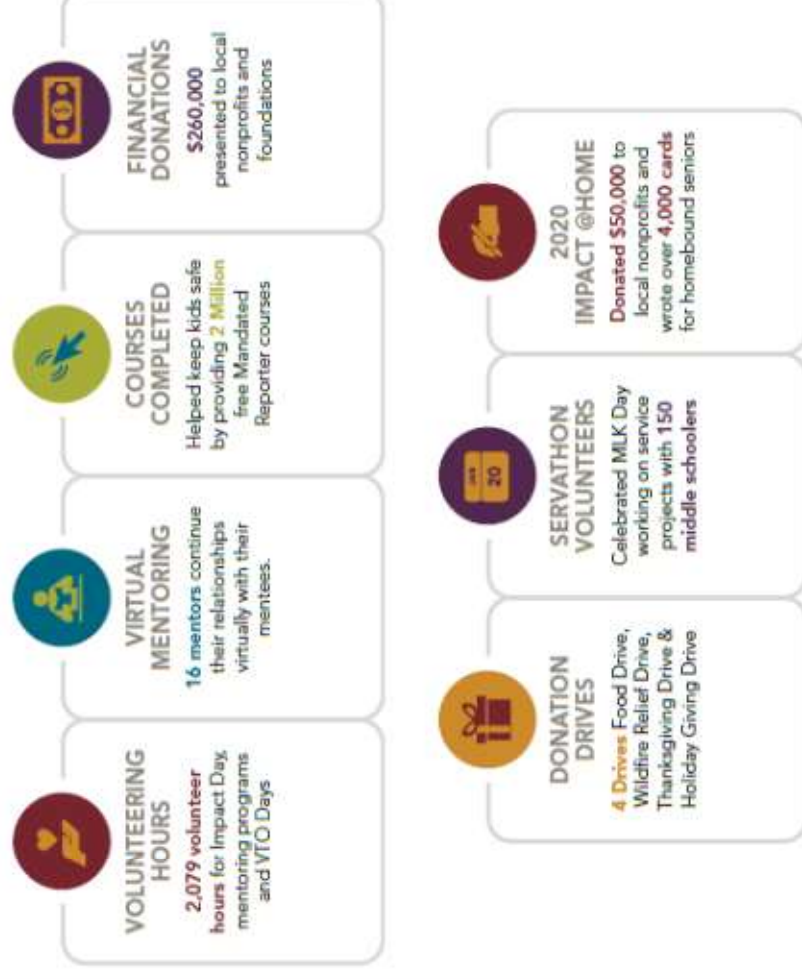
# Keenan Programs and Service Innovation

A commitment to program and service innovation that has saved California public agencies and health care organizations **millions** of dollars.



# Making an Impact in Our Community

Here are the highlights from our community efforts in 2020.



# Compensation Disclosure Statement

Keenan & Associates' (AP Keenan) mission has been to provide high-quality, innovative products and services to meet the insurance and risk management needs of our clients for many years. AP Keenan embraces industry efforts for transparency and believes it is important that clients are provided with information that may be relevant to their choice of insurance products and services, such as (i) the terms of coverage and services that are offered, (ii) the cost of such insurance and services, (iii) the reported financial viability of insurers, and (iv) compensation that may be directly or indirectly paid to AP Keenan in connection with the products or services that are presented and ultimately selected. The following paragraphs provide additional information concerning the services that are offered by AP Keenan and the manner in which AP Keenan may be compensated for such services. Clients that have questions regarding any of these items or that desire additional information are encouraged to contact their AP Keenan account representative to discuss in more detail.

## **Consulting and Brokerage Services**

**Commission Compensation** – AP Keenan offers consulting and brokerage services to assist clients in reviewing their insurance needs and available insurance options. When AP Keenan is asked to obtain proposals for insurance and/or excess insurance coverage, AP Keenan obtains quotations from appropriate insurers with coverage for the types of risks involved. A summary of the insurance markets that were approached and the quotations received will be presented to the client. AP Keenan is typically compensated for its brokerage services through commissions paid by the insurers, the cost of which is usually included in the cost of the insurance coverage obtained. In some cases, AP Keenan may be requested to obtain insurance quotes "net of commission," in which case AP Keenan will enter into an agreement with the client to provide insurance brokerage services for a fee that is paid by the client.

**Other Contingent Compensation** – It is a long-standing practice in the insurance industry for insurers to establish additional compensation programs for brokers based on factors that are not specific to a particular client or placement of coverage. These arrangements are typically referred to as overrides, contingencies, supplemental compensation or indirect compensation (collectively, "Other Compensation"). AP Keenan may from time to time enter into arrangements with insurers for Other Compensation based upon: (i) technology investment and services provided by Keenan, (ii) assistance with developing, marketing and/or distributing products offered by insurance carriers and product vendors, (iii) specialized expertise in niche markets that may assist insurers to properly assess market risks and to develop products, (iv) efficiencies that may be achieved through the collective administration of larger groups of business, and (v) aggregate volume, persistency or new business development. Such compensation does not impact our recommendations and AP Keenan believes, and seeks written assurances from insurers, that any such Other Compensation does not adversely impact the pricing and coverage terms that AP Keenan is able to obtain for its clients.

## **Other Services**

**BenefitBridge Platform Hosting and Services** – *BenefitBridge* is AP Keenan's proprietary online employee benefits eligibility and billing system that provides clients with a web-based, technology solution for employee benefits administration, eligibility, enrollment, billing reporting and employee communications. The significant investment that AP Keenan has made to develop and support the implementation of *BenefitBridge* has created efficiencies and improved accuracy for clients and participating insurers. These participating insurers pay a fee to AP Keenan based upon the use of the *BenefitBridge* platform, which fee is separate from commission compensation that may be paid and does not impact the cost of insurance that AP Keenan is able to obtain for participating clients.

**Additional Services** – AP Keenan may provide consulting services to clients that do not involve the purchase of insurance coverage or products. Examples of such services include: benefits analysis, dependant audit verification, leave of absence management, safety inspections, claims administration, and financial processing. AP Keenan provides these services for a fee that is paid by the client.



## Thank You!

We truly appreciate your business and look forward to working with you and your employees for many years to come.

We believe in forming a mutually beneficial partnership and welcome your constructive comments on how we may serve you better.

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## **APPENDIX 4 SAMPLE EMPLOYEE BENEFITS GUIDE (5 PAGES)**

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Client Logo

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**Click this icon in  
your benefits guide  
to watch a video  
explaining the  
associated topic.**

If you (and/or your dependents) have Medicare or you will become eligible for Medicare in the next 12 months, a Federal law gives you more choices about your prescription drug coverage.

The information in this brochure is a general outline of the benefits offered under The City of El Monte's benefits program. Specific details and plan limitations are provided in the Summary Plan Descriptions (SPD), which is based on the official Plan Documents that may include policies, contracts and plan procedures. The SPD and Plan Documents contain all the specific provisions of the plans. In the event that the information in this brochure differs from the Plan Documents, the Plan Documents will prevail.

# Human Resources Contact Information



Employee Benefits Programs	Contact
Benefits Coordination (Medical, Dental & Vision Insurance)	Delmy Johana Coca-Ambriz - HR/RM Manager Yesenia Gutierrez – HR/RM Analyst
COBRA Continuation	Yesenia Gutierrez – HR/RM Analyst
Flexible Spending Accounts	Yesenia Gutierrez – HR/RM Analyst
Voluntary Plan Administration	Delmy Johana Coca-Ambriz - HR/RM Manager
Deferred Compensation	Yesenia Gutierrez – HR/RM Analyst
Employee Assistance Program	Delmy Johana Coca-Ambriz - HR/RM Manager
Fair Employment Housing Act (FEHA) Americans for Disabilities Act (ADA)	Delmy Johana Coca-Ambriz – HR/RM Manager
Family Medical Leave Act (FMLA)	Annabel Martinez - HR/RM Specialist
Leave Administration	Annabel Martinez - HR/RM Specialist
Workers' Compensation	Rigo Gutierrez - HR/RM Director
Life Insurance & Disability Insurance	Delmy Johana Coca-Ambriz - HR/RM Manager

Contact	Email	Phone
Human Resources Team		
• Rigo Gutierrez HR/RM Director	<a href="mailto:rgutierrez@elmonteca.gov">rgutierrez@elmonteca.gov</a>	<a href="tel:626-580-2052">626-580-2052</a>
• Kristen Enomoto Sr. Management Analyst	<a href="mailto:kenomoto@elmonteca.gov">kenomoto@elmonteca.gov</a>	<a href="tel:626-580-2044">626-580-2044</a>
• Delmy Johana Coca-Ambriz Human Resources & Risk Management Manager	<a href="mailto:dcoca@elmonteca.gov">dcoca@elmonteca.gov</a>	<a href="tel:626-258-8640">626-258-8640</a>
• Yesenia Gutierrez Human Resources & Risk Management Analyst	<a href="mailto:ygutierrez@elmonteca.gov">ygutierrez@elmonteca.gov</a>	<a href="tel:626-580-2048">626-580-2048</a>
• Annabel M. Delgado Human Resources & Risk Management Specialist	<a href="mailto:amdelgado@elmonteca.gov">amdelgado@elmonteca.gov</a>	<a href="tel:626-580-2049">626-580-2049</a>
• Brenda Covarrubias Human Resources & Risk Management Specialist	<a href="mailto:bcovarrubias@elmonteca.gov">bcovarrubias@elmonteca.gov</a>	<a href="tel:626-580-2040">626-580-2040</a>



# Carrier Contact Information



Below is a listing of the telephone numbers you can call with questions about the plans available to you. You can also use the web site (if available) to access information from providers for the various plans.

**Benefit Information:** [www.benefitbridge.com/cityofelmonte](http://www.benefitbridge.com/cityofelmonte)

Plan	Phone Number	Web Site
<b>Medical</b> (To request a free paper copy of the SBC and glossary, please contact each health plan directly.)		
• Anthem Blue Cross	<a href="tel:877-737-7776">877-737-7776</a>	<a href="http://www.anthem.com/ca/calpers">www.anthem.com/ca/calpers</a>
• Blue Shield	<a href="tel:800-334-5847">800-334-5847</a>	<a href="http://www.blueshieldca.com/calpers">www.blueshieldca.com/calpers</a>
• Kaiser Permanente	<a href="tel:800-464-4000">800-464-4000</a>	<a href="http://www.kp.org/calpers">www.kp.org/calpers</a>
• UnitedHealthcare Alliance	<b>Active:</b> <a href="tel:877-359-3714">877-359-3714</a> <b>Retirees:</b> <a href="tel:888-867-5581">888-867-5581</a>	<a href="http://www.uhc.com/calpers">www.uhc.com/calpers</a>
• Peace Officers Research Association of California (PORAC)	<a href="tel:800-288-6928">800-288-6928</a>	<a href="http://www.ibtoforac.org">www.ibtoforac.org</a>
• PERS Platinum, PERS Gold	<a href="tel:877-737-7776">877-737-7776</a>	<a href="http://www.anthem.com/ca/calpers">www.anthem.com/ca/calpers</a>
• Health Net	<a href="tel:888-926-4921">888-926-4921</a>	<a href="http://www.healthnet.com/calpers">www.healthnet.com/calpers</a>
• Sharp	<a href="tel:855-995-5004">855-995-5004</a>	<a href="https://calpers.sharphealthplan.com">https://calpers.sharphealthplan.com</a>
<b>Dental</b>		
• MetLife	<a href="tel:800-942-0854">800-942-0854</a>	<a href="http://www.metlife.com">www.metlife.com</a>
<b>Vision</b>		
• EyeMed	<a href="tel:866-939-3633">866-939-3633</a>	<a href="http://www.eyemed.com">www.eyemed.com</a>
• United Health Care	<a href="tel:866-414-1959">866-414-1959</a>	<a href="http://www.uhc.com">www.uhc.com</a>
<b>Employee Assistance Program (EAP)</b>		
• Aetna	<a href="tel:800-227-1060">800-227-1060</a>	<a href="http://resourcesforliving.com">resourcesforliving.com</a> <b>Username:</b> El Monte <b>Password:</b> EAP
<b>Basic Life / AD&amp;D, Optional Life</b>		
• The Hartford	<a href="tel:800-523-2233">800-523-2233</a>	<a href="http://www.thehartford.com">www.thehartford.com</a>
<b>Long Term Disability (LTD)</b>		
• The Standard	<a href="tel:800-368-1135">800-368-1135</a>	<a href="http://www.standard.com">www.standard.com</a>
<b>Flexible Spending Accounts (FSA), Dependent Care and Other Benefits</b>		
• American Fidelity	<a href="tel:800-662-1113">800-662-1113</a>	<a href="http://www.americanfidelity.com">www.americanfidelity.com</a>
• Aflac	<a href="tel:800-992-3522">800-992-3522</a>	<a href="http://www.aflac.com">www.aflac.com</a>
• Allstate	<a href="tel:877-810-2920">877-810-2920</a>	<a href="http://www.allstate.com">www.allstate.com</a>
<b>Deferred Compensation</b>		
• Nationwide Guadalupe Ayala	<a href="tel:877-677-3678">877-677-3678</a>	<a href="mailto:ayalag2@nationwide.com">ayalag2@nationwide.com</a>

# Introduction



At the City of El Monte we recognize our ultimate success depends on our talented and dedicated workforce. We understand the contribution each and every employee makes to our accomplishments and so our goal is to provide a comprehensive program of competitive benefits to attract and retain the best employees available. Through our benefits programs we strive to support the needs of our employees and their dependents by providing a benefit package that is easy to understand, easy to access and affordable for all of our employees. This brochure will help you choose the type of plan and level of coverage that is right for you.

**In order to activate your benefits, complete and submit the following:**

- CalPERS Beneficiary Designation Form
- CalPERS Reciprocal
- Register on the BenefitBridge Website ([www.benefitbridge.com/cityofelmonte](http://www.benefitbridge.com/cityofelmonte))
- **If covering dependent(s):** deliver or upload required documents to HR. (documents listed on page 6).

## Optional Benefit Forms

- Flexible Spending Plan Enrollment form

## Enrollment and Benefit Choices

The City recognizes that your benefits are an important part of the reason you choose to work here. The City provides high quality benefits at a reasonable cost to you. You can choose between different medical plans to meet your individual and family needs. Since you have some choices to make, it is important to understand the various programs. That is why this Handbook is being provided for you. Benefits provided by the City for eligible employees include a choice of CalPERS medical plans, dental plans, vision plans, group life insurance coverage, group disability and optional voluntary benefits.

You have 30 days from the date of your initial appointment to enroll, or decline coverage for yourself and eligible family members. Benefits will begin on the 1st of the month after you submit your paperwork and appropriate documentation to the Human Resources Department. If you do not enroll during the initial 30 days, you will be subject to a waiting period until the following open enrollment period.

Any questions you may have regarding the enclosed information can be referred to the corresponding representative listed in the contact information found at the beginning of this guide.



EXHIBIT B  
SCHEDULE

**City of Vernon: PROPOSED PRICING Update 2.13.25**

<b>Benefits Broker – Flat Rate Annual Fee</b>	
Year 1:	\$49,975
Year 1: Prorated 4/1/25 – 12/31/25	\$37,481
Year 2:	\$49,975
Year 3:	\$49,975
Year 4:	\$51,474
Year 5:	\$53,108
Total Contract Term:	\$254,507

**(Option 1 – Commission – With Cap)**

A. Keenan shall receive commissions from insurance carriers and/or other vendors for the placement of insurance coverage pursuant to this Agreement. Client shall have no responsibility for the payment of any such commission to Keenan. Client acknowledges that commissions paid by insurance carriers and/or other vendors that are directly related to the coverage purchased by Client may impact the pricing that Keenan is able to obtain for Client for such coverage.

B. Once all fees and commissions payable above have been received, Keenan will perform a reconciliation of the total amount received. If the amount received is less than \$49,975 (\$51,474 year 4, \$53,108 year 5), Client will be balance billed for the difference. If the amount received is over \$49,975 (\$51,474 year 4, \$53,108 year 5) Keenan will return to Client, the amount of the overage.

- 2025 will be prorated from April 1<sup>st</sup>, 2025, through December 31<sup>st</sup>, 2025: monthly billed fees at \$4,164 X 9 months = \$37,481 commission cap for 2025

**(Option 2 – Fee Only)**

A. The annual consulting fee for the services rendered under this Agreement for the first 3 years of this Agreement will be \$49,975 annually, billed on a monthly basis at \$4,164.58. Year 4 will be \$51,474 annually, billed on a monthly basis at \$4,289.50. Year 5 \$53,108 annually, billed on a monthly basis at \$4,425.67.

- 2025 will be prorated from April 1<sup>st</sup>, 2025, through December 31<sup>st</sup>, 2025: monthly billed fees at \$4,164 X 9 months = \$37,481 flat fee for 2025.

**(Option to convert from Flat Fee only to Commission with Cap)**

The City of Vernon, at their discretion, can convert the fee arrangement from a flat fee (Option 2) to a commission with cap (Option 1) based on the 2026 benefits renewal marketing results.

**(Additional Considerations)**

Proprietary/Add on programs that the City may from time to time participate in are excluded from the above pricing. Examples of such proprietary programs include: Futuris Care, RetireeFirst, KPPC, CompleteCare, Voluntary benefits, and other proprietary programs not yet developed but that may result in savings to the City that are greater than the fee associated with the program.

Keenan will provide a report annually, detailing all compensation. Further details addressing overrides and general compensation issues are included in Keenan's Disclosure Policy, included on our website at <https://www.keenan.com/Disclosure-Policy>.

## EXHIBIT C

### EQUAL EMPLOYMENT OPPORTUNITY

#### PRACTICES PROVISIONS

- A. Contractor certifies and represents that, during the performance of this Agreement, the contractor and each subcontractor shall adhere to equal opportunity employment practices to assure that applicants and employees are treated equally and are not discriminated against because of their race, religious creed, color, national origin, ancestry, handicap, sex, or age. Contractor further certifies that it will not maintain any segregated facilities.
- B. Contractor agrees that it shall, in all solicitations or advertisements for applicants for employment placed by or on behalf of Contractor, state that it is an "Equal Opportunity Employer" or that all qualified applicants will receive consideration for employment without regard to their race, religious creed, color, national origin, ancestry, handicap, sex or age.
- C. Contractor agrees that it shall, if requested to do so by the City, certify that it has not, in the performance of this Agreement, discriminated against applicants or employees because of their membership in a protected class.
- D. Contractor agrees to provide the City with access to, and, if requested to do so by City, through its awarding authority, provide copies of all of its records pertaining or relating to its employment practices, except to the extent such records or portions of such records are confidential or privileged under state or federal law.
- E. Nothing contained in this Agreement shall be construed in any manner as to require or permit any act which is prohibited by law.