



**Request for Proposals for  
Claim-Services Provider  
RFP #01-19**

March 4, 2019

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## **I. Summary of Key Dates**

The following schedule is subject to modification by the California Earthquake Authority (CEA). Questions must be submitted as described in Part IV.

1. Date of issue	March 4, 2019
2. Deadline for submitting questions	April 5, 2019
3. Final date for the CEA to post addenda for which proposers are responsible	April 19, 2019
4. Final proposal submission date	May 10, 2019
5. Proposal evaluation by the CEA	May 24, 2019
6. Finalist presentations (at the CEA's option) in Sacramento, California	June 7, 2019
7. Award of opportunity to negotiate contract	July 22, 2019
8. Date services commence	September 1, 2019

## **II. Background of the California Earthquake Authority**

Following the unprecedented losses from the 1994 Northridge Earthquake, many California insurers either stopped or severely restricted selling new homeowners insurance policies. This was largely due to a state law that required insurers to offer earthquake insurance when selling residential property insurance. A California Department of Insurance study released in May 1995 found that insurers representing 93 percent of the voluntary insurance market were either restricting or refusing to sell new residential property insurance, presumably to avoid the obligation to also offer earthquake policies.

In 1995, the California Legislature approved legislation to create the California Earthquake Authority (CEA). In 1996, the Legislature passed three additional bills that permitted the CEA to become operational when certain conditions were met. These bills were codified in California Insurance Code, sections 10089.5 through 10089.54 and are referred to as the CEA Act. In November 1996, the Insurance Commissioner certified the conditions had been met. The CEA began writing earthquake policies effective December 1, 1996. CEA policies are offered only to Californians who have purchased residential property insurance from a residential property insurance company that participated in the formation and capitalization of CEA, referred to as a “participating insurer.” CEA’s participating insurers perform substantially all of the policy and claims administration services required by CEA pursuant to agreements with CEA.

The CEA is administered by a Governing Board composed of five elected public officials. California’s Governor, Treasurer, and Insurance Commissioner serve as voting members, while the Speaker of the Assembly and the President Pro-Tempore of the Senate serve as non-voting members. The Governing Board is advised by an eleven-member Advisory Panel.

As of January 1, 2019, the CEA was financed with approximately \$5.65 billion in CEA capital, \$690 million in revenue bond proceeds, \$8.33 billion in reinsurance and other risk transfer purchases, \$1 billion in potential post-event borrowing repayable through policyholder surcharge capability, and \$1.65 billion in participating insurer assessment capability. Operating under a uniform written contract, participating insurers sell and service CEA policies and adjust CEA claims. By law, the State of California has no liability for claims, costs, or liabilities arising from CEA operations.

The CEA’s business is residential earthquake insurance, and the CEA also provides earthquake-loss mitigation services and related educational outreach. The CEA offers basic residential earthquake insurance to owners of dwellings, mobilehomes, and condominiums, as well as to renters. Policies cover damage to structure and contents, and expenses incurred when a home is uninhabitable. CEA rates are actuarially sound, based on the best available science, and approved by the California Insurance Commissioner.

## **III. Role of the Claim-Services Provider**

The CEA does not adjust its earthquake-insurance policy claims in-house, but rather, each CEA claim is adjusted by the CEA participating insurer that issued a residential property insurance policy to the CEA’s insured. Some participating insurers will adjust claims using their own in-house claim adjuster staff (including, depending on the severity of the event, their catastrophe claims units), some participating insurers contract with outside insurance claim service providers to perform those services, and some may use a combination of in-house and outside adjusters. The CEA has a limited claim-management staff, and that staff will require claim-management assistance after a significant earthquake. The CEA has issued

this Request for Proposals (“RFP”) in order to contract with a claim-services provider who can assist the CEA with claim-support functions, as needed.

The claim-services provider will report to the CEA Claim Director and will provide reinspection, claim auditing, and claim-consulting services for the CEA following an earthquake that results in CEA claims, along other claim consultation services both pre-event and post-event, as detailed below.

The general duties of the successful proposer are summarized below and are described with more particularity in the “Services to be Provided” section of Part VI of this RFP.

### **Post-Loss Reinspections**

When the CEA determines post-earthquake claim reinspections are necessary, the CEA will request reinspections to assess the quality and service of claim handling. The claim-services provider will provide experienced property-claims adjusters to assist the CEA with this claim reinspection process. The reinspection process will begin about 30 days after an earthquake and might continue for an indefinite period, depending on the severity of the earthquake and the number of claims.

### **Other Consulting Services**

The CEA may call on the claim-services provider to provide additional claim-consulting services, as needed, with specific services identified and agreed to before that additional work begins. The additional services may include, but is not limited to:

- Assisting the CEA in formulating claim-handling processes and procedures;
- Assisting pre-earthquake planning;
- Assisting post-earthquake claim response;
- Compiling post-earthquake damage assessments;
- Auditing CEA earthquake claim files;
- Assisting the CEA in managing participating insurers’ claim responses;
- Providing claim-related administrative services and other claim management and support functions, as needed; and
- Assisting the CEA in the evaluation of industry loss estimating tools for earthquake claim handling customization.

### **Claim Readiness**

The selected provider must at all times have at least 12 property-claim adjusters and two claim managers trained and ready to respond. The CEA understands, however, that the need for claim-support work is unpredictable and depends on the frequency and severity of earthquakes and the number of resulting claims—but because the claim-services provider must maintain an appropriate state of readiness and an ability to act very quickly at the CEA’s request, the selected claim-services provider may seek to be compensated for its annual readiness and training efforts.

All persons who will perform contract work under this RFP must be trained on California’s Fair Claims Handling regulations, any additional California Department of Insurance earthquake claim-handling requirements, statutory and case law relating to the handling of earthquake and other property insurance claims and CEA-earthquake-policy coverages.

See Part VI, “Services to be Provided” for the specific requirements.

#### **IV. Submitting Questions**

Any questions that potential proposers might have about the RFP are to be submitted solely by email. In submitting questions, proposers must follow the timeframes in Part I, Summary of Key Dates.

Submit all questions by email to:

[RFP01-19@calquake.com](mailto:RFP01-19@calquake.com)

The CEA will respond to questions as they are received. Answers to all questions timely received will be posted on the CEA's Web site, [www.EarthquakeAuthority.com](http://www.EarthquakeAuthority.com); the questions that have been submitted and the responses thereto may be viewed by following the links found under the "CONTRACTING OPPORTUNITIES" section of the home page. All questions (without attribution to or identification of the person or entity asking the question), and all responses to those questions, will be posted.

#### **V. Proposers' Responsibilities Regarding Addenda**

The CEA reserves the right, in its sole discretion, to modify any part of this RFP by issuing one or more written addenda.

Addenda to this RFP issued by the CEA, if any, will be posted solely to the CEA's Web site, [www.EarthquakeAuthority.com](http://www.EarthquakeAuthority.com) on the Claim-Services Provider RFP page. Each proposer should continue to check the CEA Web site through the final submission date for any addenda that may be posted. Each proposer is required to acknowledge, as part of the proposer's cover letter (see Part VIII, subsection B.1.g.), that the proposer has reviewed any addenda that are posted one week or more prior to the final proposal submission date.

Each proposer acknowledges and accepts the affirmative responsibility to inquire regarding, and seek clarification of, any part or provision of this RFP that the proposer does not understand or that the proposer believes is reasonably susceptible to more than one interpretation. If a proposer discovers any ambiguity, conflict, discrepancy, omission, or error in the RFP, the proposer must immediately notify the CEA's RFP contact person, and may request clarification through submitting a question in accordance with Part IV. In its sole discretion, the CEA may issue clarifications in the form of written addenda to this RFP and will post the written addenda to [www.EarthquakeAuthority.com](http://www.EarthquakeAuthority.com) on the Claim-services Provider RFP page.

In its sole discretion, the CEA may disregard any and all claims of ambiguity, conflict, discrepancy, omission, or other error received by the CEA after the final submission date for proposals.

Unless otherwise specifically stated by the CEA, no additional time to meet any deadline will be allowed due to corrections or clarifications made by the CEA.

The provisions of any addendum formally issued by the CEA are deemed to be incorporated into this RFP, and in addition and as appropriate, that addendum may be made a part of or otherwise reflected in any contract awarded as a result of this RFP.

## **VI. Services to be Provided**

### ***Introduction***

The purpose of this Request for Proposals is to invite firms to prepare and submit a proposal for providing inspection, claim auditing, and claim-consulting services for the CEA.

### ***Term***

The contract that will be awarded as a result of this RFP will have a three-year initial term.

The CEA reserves the right, and the successful proposer (sometimes called the “Contractor” below) must agree to allow the CEA the option, to extend the term of the contract, at the CEA’s sole discretion, for up to two additional years, at the same terms and conditions (other than pricing) stated in the initial contract term. Pricing for any extended terms, after the initial three-year term, will be negotiated and agreed upon with the Contractor before renewal.

### ***Scope of Work***

#### **1. Reinspection Services**

After an earthquake, when the CEA deems it necessary, the CEA will request reinspections of earthquake claims that have been inspected or adjusted on the CEA’s behalf, to assess the quality and level of service of the adjustment process. (To distinguish this work from other claim-related work, this task is called a “reinspection.”) Each proposal submitted in response to this RFP must include a schedule of rates (hourly or otherwise) to be charged for reinspection services (see Attachment 2 for the desired format).

##### Scope of reinspection services

- A. The CEA will decide when to conduct reinspections of claims and will give the Contractor at least 15 days notice before the commencement of reinspections.
- B. The CEA will select the claims to be reinspected.
- C. For each claim to be reinspected, the CEA will obtain a copy of the claim file, to include all available information on that claim to date, including the electronic notes and photographs. The copy of the claim file will be provided to the Contractor before the reinspection begins.
- D. Before the reinspection commences, the CEA will provide the Contractor with a letter that the inspector must leave with the policyholder. This letter will be customized for each earthquake event, and the letter will explain the reinspection process and the role and function of the inspector.
- E. The Contractor will reinspect each designated claim, and at a minimum, will perform the following tasks with respect to each reinspected claim:
  1. Contact the policyholder and make an appointment to reinspection all earthquake

damage.

2. Physically inspect the insured location.
3. Validate the existing scope to ensure that all new earthquake damage that could be covered by a CEA policy was captured, and to ensure that the scope does not include non-covered damage.
4. Take new digital photos of all covered earthquake damage.
5. Validate the estimate and pricing of the cost to repair the covered earthquake damage. The inspector should review any existing scope and estimate and apply professional judgment as to the completeness of the scope and the accuracy of pricing. If, in the inspector's professional judgment, the original estimate appears to be more than 10% too high or 10% too low, the inspector must create a new, independent estimate of the cost of repairs. The reinspection report must include evaluation of the original adjuster's compliance with applicable service and response timelines.

#### Time for performance of re-inspection services

The Contractor must complete the reinspection process and deliver to the CEA an electronic report on each claim within 15 days after the Contractor's receipt of the CEA's designation of that claim for reinspection.

## **2. Claim Consulting**

The Contractor will provide claim-consulting services to the CEA as needed. The specific services will be agreed to before commencement of the work. Each proposal submitted in response to this RFP must include a schedule of rates (hourly or otherwise) to be charged (see Attachment 2 for the desired format). A partial list of possible services includes:

- A. Helping the CEA formulate claim-handling processes and procedures;
- B. Pre-earthquake planning;
- C. Post-earthquake claim response;
- D. Post-earthquake damage assessment;
- E. Auditing CEA-earthquake-claim files;
- F. Assisting the CEA in the management of Participating Insurer claim responses;
- G. Claim-related administrative services and other claim-management and support functions, as needed; and
- H. Assisting the CEA in the evaluation of industry loss estimating tools for CEA earthquake claim handling customization.

## **3. Annual Readiness and Training**

The Contractor will have a minimum of 12 property claims adjusters and two claim managers trained and ready to respond at all times. All such personnel are required to:

- A. Have taken California Fair Claims Settlement Regulations training no more than 12 months before commencing CEA work.<sup>1</sup>
- B. Be California-accredited to handle earthquake claims, according to California Department of Insurance regulations.<sup>2</sup> The CEA will require a certificate of completion for each accredited adjuster and manager when certification is completed and every three years thereafter.
- C. Have taken and completed the CEA on-line training courses on homeowners coverage and deductible calculation no more than 30 days before commencing work for the CEA. These training courses can be found on the CEA Web site ([www.EarthquakeAuthority.com](http://www.EarthquakeAuthority.com)) under the Adjuster Information link. The Contractor and its personnel must grant the CEA express permission to track this training and report the results to the Contractor.
- D. Have taken and completed the specialized on-line training (created by the CEA and delivered via the CEA Web site) when they are first assigned to the CEA support team, and annually each December thereafter. The CEA will track the training by individual and provide this information to the Contractor.

Except for any annual Readiness Training fee that Contractor may propose charging to the CEA as part of its proposal (see Section III of Attachment 2), the foregoing training must be completed at Contractor's sole expense, and Contractor must not bill any hourly fees or similar time charges to CEA for its personnel's completion of such training.

## VII. Minimum Qualifications

Each proposer must meet, to the CEA's satisfaction, all the following minimum qualifications to be considered for a contract award. ***The proposer must affirmatively attest to each of the minimum qualifications in its cover letter.*** Failure to satisfy all minimum qualifications, in the CEA's sole judgment, will result in rejection of the proposal.

1. The proposing firm must have been in business for at least 10 years; or, if the firm has not been in business for at least 10 years, the senior principals of the firm must have at least 15 years of combined, relevant experience with a similar firm.
2. Each of the Key Personnel that would be assigned to the CEA account must have a minimum of 10 years of experience in the claim-services field.

## VIII. Proposal Submission Instructions and Requirements

### A. **Submission Deadline and Format**

In submitting proposals in response to this RFP, each proposer must comply with the following deadlines and format requirements

- Proposers must submit an original and four copies of the proposal in a sealed envelope or

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<sup>1</sup> <http://www.insurance.ca.gov/0100-consumers/0060-information-guides/0040-residential/fair-claims-settlement-regs.cfm>

<sup>2</sup> California Code of Regulations, Title 10. Chapter 5, Subchapter 7.5.1, Subchapter 7.5.1 - Insurance Adjuster Training for Evaluating Earthquake Damage

package.

- The original proposal must bear an original signature of the person who signed the cover letter and be marked “Original.”
- The proposer’s name and address must appear on the outside of the sealed proposal package/envelope.
- A proposal by a firm must be signed by a person authorized to bind the firm.
- All proposals must be delivered in physical form through a method such as mail, delivery service, courier, or hand-delivery, to the following address and labeled as follows:

**California Earthquake Authority  
801 K Street, Suite 1000  
Sacramento, CA 95814**

**CONFIDENTIAL  
Response to Request for Proposals #01-19**

- Proposals must be physically received by the CEA no later than 4 p.m. Pacific Time on Friday, May 10, 2019.
- Unless expressly and specifically requested by the CEA, proposals are not to be submitted, in whole or in part, by email, fax, or other electronic or magnetic media.

Should a proposal contain information that the proposer reasonably considers to be confidential or proprietary, a statement to that effect must be included in the cover letter, and each and every page containing confidential or proprietary information must be so marked in the upper right-hand corner. The CEA will use reasonable efforts to keep such pages from public disclosure, except to the extent provided in any resulting contract or the extent required by law. The CEA makes no representations or warranties that its efforts will be successful. Proposers are reminded that many of the CEA’s records are subject to public disclosure under the California Public Records Act.

No proposal can be considered confidential or proprietary in its entirety.

If, before the submission deadline, a proposer wishes to make any change or augment a proposal it has already submitted to the CEA, the only method of correction or modification is to notify the CEA that proposer wishes to withdraw its proposal, and then submit the modified proposal before the proposal- submission deadline. Modifications offered in any other manner, or after the proposal submission deadline, will not be considered.

All proposals become the property of the CEA upon submission.

All costs to develop proposals and attend interviews regarding proposals are the sole responsibility of the proposer and cannot be charged to the CEA.

Proposers must review all addenda posted on the CEA’s Web site before submitting proposals.

Each proposal must state the proposer's name and the CEA RFP number 01-19 on each page of the proposal.

## **B. Required Components of Submission**

All submissions must include the following elements, in the following order. Submissions may include additional information, at the proposer's option.

### **1. Cover Letter**

The cover letter must be signed by a person authorized to bind the proposer contractually. The CEA will reject any proposal that contains an unsigned cover letter. The cover letter must also contain all of the following:

- A. The proposing firm's name, address, telephone number, and Web address.
- B. The name, title or position, telephone number, and email address of the person signing the cover letter and any other persons authorized to make representations for the proposer regarding the RFP.
- C. A statement that the signature constitutes unrestricted authority to bind the proposer contractually.
- D. A statement that the firm is willing to be bound by the CEA contract provisions set out in Attachment 1 (with any exceptions specifically identified pursuant to item 2., below, of "Firm Background and History").
- E. A statement that the proposal is a valid, open proposal for at least 120 days after the submission date.
- F. A statement affirming that the proposer satisfies each of the Minimum Qualifications stated in Part VII of this RFP.
- G. A statement that the proposer has reviewed any addenda posted through the final addenda posting date shown on the "Summary of Key Dates."

### **2. Firm Background and History**

The proposal must provide the following information:

- A. Total number of offices and employees, with a breakdown of the number of professional, managerial, and support staff in each office and, for each office, its address.
- B. Description of the proposing firm's ownership and ownership structure.
- C. Identification of any affiliated or subsidiary organizations.
- D. Description of pending or contemplated changes in the proposing firm's organizational structure.
- E. Disclosure of any litigation or other legal proceedings in the past three years that the proposer, or any officer or principal of the proposer, has been involved in related to the proposer's business activities, and an explanation of the nature of each such litigation or legal proceeding, even if the matter has been resolved.
- F. Statement of the applicable coverage amounts of the proposer's errors and omissions insurance, general liability insurance, and any other applicable insurance.

- G. A statement that the proposer is willing to be bound by sample contract provisions outlined in Attachment 1, or, if there are any provisions that the proposer cannot agree to be bound by, an identification of each such provision and a statement of the reason why the proposer cannot agree to be bound by that provisions.

### **3. Representative Clients/References**

The proposal must provide the following:

- A. A list of representative clients for claim-services performed within the last five years and a description of the categories of services provided, including the contact information for at least three of those clients; and
- B. For any of the proposer's former institutional clients (whether or not listed by the proposer in accordance with the preceding subsection) where the proposer or the client terminated the service-provider relationship during the past two years a statement of the name of the client and the reason for termination of the relationship.
- C. Number of years the proposing firm has been in existence as the same or substantially the same firm and under the same trade name.

### **4. Work Plan**

The work plan must describe, in narrative fashion, how the proposer will perform the proposed contract. The proposal should be specific and avoid generalizing. The work plan should address, without limitation, the following components and should be organized so that it is clear, comprehensive, and concise.

- A. Identification of Key Personnel for the contract. Proposers must complete Attachment 3. For each key member of the team assigned to the CEA account, proposers must provide a brief resume that outlines the person's education and relevant experience; including relevant certifications or credentials and the length of time each has been held.
- B. Description of the proposer's understanding of the work to be performed under this RFP, as that work is detailed in Part VI of this RFP, and a thorough description of the steps and processes the proposer would use to perform that work.
- C. Proposal of any alternatives that conform to this RFP's intent, which the proposer believes would lead to a better, more efficient, or more cost-effective result for the CEA, but which may vary from the specific description of the services set out in Part VI of this RFP.
- D. Identification of any "value-added" services the proposer would provide to the CEA.
- E. Identify details of any conflict of interest, or apparent or potential conflict of interest, that could be created by the proposer contracting with the CEA, and propose how to address or resolve the conflicts.
- F. Description of the proposer's policy for ensuring the confidentiality of its clients' matters.
- G. If the firm intends to use subcontractors to deliver any of the services outlined in Part VI, it must provide all relevant information regarding the proposed subcontractor(s).
- H. A thorough description of the proposer's business continuity plan (or a separate attachment of the proposer's written business continuity plan), describing the proposer's business plan for maintaining a continuity of business operations and services following natural or human-caused emergencies or disasters.

## 5. Pricing

Each proposal must include a clear and complete fee and expense structure. The CEA will compensate reasonable fees and reasonable expenses in arrears, as agreed in a negotiated contract. If CEA is asked to approve a minimum periodic fee, the proposal must include a clear and complete periodic-fee structure.

Separate fee structures must be stated for (1) reinspection services, and (2) claim-consulting services, as those services as described above in Part VI.

Each proposer must complete and submit its fee proposal prepared in accordance with the format shown in Attachment 2, Proposed Fees for Services, to price each section of the proposed work plan. The CEA will use this information to analyze the reasonableness of the fees.

Proposers must state any additional fees not covered by Attachment 2 or affirmatively state that there are no additional costs or fees proposed.

## IX. Proposal-Evaluation Criteria

The purpose of the proposal-evaluation process is to: 1) determine whether the proposal has satisfied the minimum qualifications, content, and format requirements; and 2) identify the proposers most likely to satisfactorily perform the services described. The evaluation process will be conducted in a comprehensive and impartial manner.

Each proposal package will be date-and-time-stamped when received. Proposals received after the submission date and time will be returned unopened. Each timely proposal will be reviewed to determine whether it satisfies the Minimum Qualifications specified in Part VII. Proposals that meet the Minimum Qualifications will be evaluated and scored. The highest possible score is 100 points.

At its sole option, the CEA may invite finalists to interview at the CEA office in Sacramento, California. All costs and expenses associated with preparing and submitting this RFP, together with all travel costs related to the interview and contract-negotiation processes, are the sole responsibility of the proposer.

<b>Criteria that will be used to judge the proposals</b>	<b>Maximum Points</b>
Qualifications, firm background, and ability to perform as required	45
Ability to keep at least 12 staff adjusters and two managers trained and at all times ready to perform work for the CEA	35
Fee/cost to CEA	20
<b>TOTAL POSSIBLE SCORE</b>	<b>100</b>

## X. Award of Opportunity to Contract

If, at any time during or at the conclusion of the RFP process, the CEA determines that the results or prospects of this RFP process are unsatisfactory, the CEA reserves the right to discontinue this process and decline to award an opportunity to contract.

The opportunity to contract will be awarded to the most qualified proposer, after price and other factors have been considered, provided that accepting the proposal is reasonable and in the best interests of the CEA. The CEA reserves the right to reject any or all proposals and to waive any irregularities in the proposals received. The final award of the opportunity to contract will be determined solely by CEA management.

**XI. Commencement Date**

The commencement date of services is expected to be September 1, 2019.

## **Attachment 1 – Sample Contract Terms**

The services to be provided under agreement with the CEA will be provided under a form of written contract. This contract may include, ***but will not be limited to***, the sample terms and conditions set forth below. The contract may include a central contract document and attachments, as well as contractual provisions dealing with any matter discussed in the course of, or sought through, this RFP.

**Each proposer must advise in its submission of any objection or requested modification to any term or condition shown below in this attachment.** The CEA will evaluate any objections or requested modifications, and may contact proposers for discussion or clarification. The CEA may also determine whether the extent of a proposer's objections or requested modifications disqualify that submission. The CEA reserves the right to reject any and all objections and requested modifications.

### **1. Services to be Performed; Management of Services by CEA.**

1.1. The description of services to be performed under this Agreement is set forth in *Attachment \_\_\_: Statement of Work*.

1.2. CEA's [*position title*] will manage and direct Contractor's activities.

### **2. Ambiguities Not Held Against Drafter.**

Because this Agreement has been freely and voluntarily negotiated by the parties, Contractor and CEA agree that ambiguous contractual provisions, if any, will not be construed against the drafter.

### **3. Amendments.**

This Agreement can be amended only by mutual consent of the parties. No change in any term will be valid unless the change is in writing and signed by both Contractor and CEA. No oral agreement or understanding will bind either Party.

### **4. Assignment; Delegation.**

Contractor must not assign any of its rights or delegate any of its duties under this Agreement without first obtaining CEA's written consent. Any purported assignment or delegation by Contractor, in whole or in part, in violation of this section is voidable at CEA's sole option.

### **5. Attorney's Fees and Costs.**

In the event of litigation between the parties to enforce or interpret this Agreement, and in addition to any other relief to which the prevailing party may be entitled, the non-prevailing party must pay the prevailing party's reasonable attorney's fees, costs of in-house counsel services, and actual and taxable costs associated with the litigation. The term "litigation" includes an action brought by either party in a court to enforce or interpret an arbitration award.

### **6. Audits.**

Contractor is and will be subject to examination and audit by the Bureau of State Audits (State of California) and, separately, by CEA (or CEA's designated representative(s)) during the term of this Agreement, during any extended term of this Agreement, and for three years after the final payment by CEA under this Agreement. Contractor must cooperate fully with, respectively, the Bureau of State Audits, and with CEA and CEA's authorized representatives, in any examination or audit. Any examination or audit would be confined to matters arising from the services provided under this

Agreement. All adjustments, payments, and reimbursements determined necessary through any examination or audit must be made promptly by the appropriate party to this Agreement.

**7. Changes in Control, Organization, or Key Personnel.**

7.1. Contractor must notify CEA in writing within five calendar days:

- A. if any of Contractor's representations or warranties ceases to be true;
- B. of any change in the roster of Contractor's staff members who exercise a significant administrative, policy, or consulting role under this Agreement, including any of the Key Personnel identified in *Attachment* \_\_\_;
- C. of any change in the majority ownership, control, or business structure of Contractor; or
- D. of any other material change in Contractor's business organization.

7.2. All of Contractor's written notices under this provision must contain adequate information to permit CEA to evaluate the changes in Contractor's personnel or organization based on the same criteria CEA used in originally selecting Contractor. Contractor must provide any additional information CEA might request in connection with the contents of those written notices.

**8. Requirement to Report Changes.**

8.1. Contractor must notify CEA in writing within five calendar days:

- A. if any of Contractor's representations or warranties ceases to be true;
- B. of any change in the roster of Contractor's staff members who exercise a significant administrative, policy, or consulting role under this Agreement;
- C. of any material change in Contractor's business organization, including in ownership, control, or business structure.

8.2. Each written notice by Contractor under this provision must provide information adequate to permit CEA to evaluate the reported changes.

**9. Choice of Law; Jurisdiction; Venue.**

This Agreement will be construed and enforced according to California law (without regard to conflict-of-law provisions). A Party may bring suit on any matter related to or arising out of this Agreement only in the Superior Court of California, County of Sacramento. "Bring suit" includes bringing any action to compel arbitration or enforce an arbitration award. Each Party waives any claim that the Superior Court of California, County of Sacramento, is an inconvenient or improper forum or venue and agrees that the court named above will have *in personam* jurisdiction over it.

**10. Compensation; Expense Reimbursement.**

10.1. CEA will compensate Contractor for its services in accordance with this Agreement and its *Attachment* \_\_\_: *Billing Rates*. Payment for expenses Contractor claims to have incurred are subject to CEA processes and procedures.

10.2. Contractor guarantees that its rates and fees, and the rates and fees of any permitted subcontractors, will not increase during the term of this Agreement.

10.3. In connection with delivering its Agreement-related services, Contractor may bill CEA for actual, out-of-pocket expenses it incurs to third parties and for actual travel expenses necessary to perform

services under this Agreement (subject to *Attachment \_\_\_: Travel Reimbursement for Contractor*). All such expenses are limited to Contractor's actual out-of-pocket cost, without markup.

10.4. Contractor must not charge CEA for office expenses, including (without limitation) clerical services, overhead expenses, or for work related to preparing invoices presented to CEA.

10.5. Correspondence from Contractor to CEA regarding payments or compensation must be sent to:

California Earthquake Authority  
801 K Street, Suite 1000  
Sacramento, CA 95814  
Attention: \_\_\_\_\_

10.6. Billing and Invoicing.

10.6.1. Contractor must submit itemized monthly invoices, in arrears for services already performed; CEA will make no payments in advance of services rendered. Each invoice must include, at a minimum:

- A. Contractor's name, address, telephone number, and federal tax ID number;
- B. an itemized description of services rendered and costs and expenses incurred during the billing period, including a detailed cost and expense breakdown accompanied by full back-up documentation;
- C. the total amount of the invoice;
- D. the Agreement identification: [*enter Agreement identification*]; and
- E. any relevant Project Assignment numbers.

10.6.2. Invoices may be submitted:

A. by mail, addressed to:

California Earthquake Authority  
801 K Street, Suite 1000  
Sacramento, California 95814  
Attention: Accounts Payable

OR

B. electronically, to:

ap@calquake.com.

10.6.3. Invoices are not payable by CEA until the invoiced work is performed, correctly identified on the invoice, and accepted by CEA. CEA will pay Contractor's invoices as promptly as fiscal procedures permit.

10.7. Retention. At its sole option, CEA, may withhold payment of up to 15% of the total fees and costs associated with work performed under the Agreement until Contractor has completed all contracted work to CEA's satisfaction.

## 11. Compliance with Laws.

11.1. Contractor must comply with all applicable laws, including those laws (a) specifically applicable to it (b) applicable to any aspect of the work it performs or secures under this Agreement, or (c) applicable to it because of its relationship to CEA. Any references to sections of federal or state

statutes or regulations are also references to any amendments or successor provisions to those sections.

- 11.2. Permits and Licenses. At its sole expense, Contractor must acquire and maintain any permits and licenses necessary to accomplish the services required or desirable under this Agreement.
- 11.3. Additional Documents and Acts. Contractor must execute any additional documents, and perform any additional acts, as might be reasonable and necessary to carry out the provisions of this Agreement.

## 12. Confidentiality.

- 12.1. In the course of its duties, the Contractor will gain knowledge of investment, financial, personal, private, personally identifiable, technical, accounting, and statistical information, including information, pertaining to, without limitation, CEA; CEA's Governing Board and Advisory Panel and their members; CEA employees and staff; CEA contractors, vendors, and agents; and CEA policyholders and customers (collectively, the "Restricted Information"). All Restricted Information is strictly confidential unless CEA expressly designates particular Restricted Information as non-confidential. Contractor must not directly or indirectly disclose any Restricted Information, or use it publicly in any way that requires its disclosure, either during or following the term of this Agreement, without CEA's duly provided advance, written, specific permission.
- 12.2. Contractor must not produce, reproduce, publish, or disseminate Restricted Information for its or any person's personal gain. When the word "person" is used in this Agreement, it means any "person, association, organization, partnership, business trust, limited liability company, or corporation."
- 12.3. Contractor promises that it will release Restricted Information solely to those of its employees, representatives, and contractors or subcontractors, whom Contractor has first officially notified in writing—and who have agreed in writing—that in and through the act of their receiving from Contractor any Restricted Information— they expressly bind themselves to maintain the confidentiality of the Restricted Information in the manner required by this Section 12 and its subsections. To the best of its ability and during all periods which this Agreement imposes an obligation of confidentiality, Contractor must affirmatively protect all Restricted Information from unauthorized use or disclosure, whether by itself or by others with whom or with which it has shared Restricted Information.
- 12.4. Any disclosure by Contractor of Restricted Information that is done in violation of any provision of this Section 12 is a material breach of this Agreement.
- 12.5. Contractor understands that CEA is by law a public instrumentality of the State of California and that certain of CEA's records and Contractor's records in CEA's possession might be subject to public disclosure and production under various laws, including (but not limited to) the California Public Records Act (Chapter 3.5, commencing with Section 6250 of Division 7 of Title 1 of the California Government Code) and the Bagley-Keene Open Meeting Act (Article 9, commencing with Section 11120, of Chapter 1 of Part 1 of Division 3 of Title 2 of the California Government Code). CEA will notify Contractor promptly after receiving any request for disclosure of any documents or materials in CEA's possession that Contractor has clearly designated to CEA as proprietary and confidential. CEA will reasonably cooperate with Contractor, within the statutory framework and limitations on CEA's duties under the applicable law(s), and at Contractor's sole cost and expense, in Contractor's efforts to protect its designated proprietary and confidential information.

### 13. Conflicts of Interest.

- 13.1. Contractor's Warranty. By its execution of this Agreement, Contractor warrants to CEA that no claimed, apparent, or actual conflict of interest exists on its part, or on the part of any principal, employee, Key Personnel, contractor, or subcontractor, that would influence its or their advice and recommendations to CEA, statements made about CEA to any person or entity, activities performed on behalf of CEA, or decisions recommended or taken on behalf of CEA.
- 13.2. Contractor's Affirmative Duties to Disclose and Address Conflicts of Interest. The parties mutually intend and agree that the duty to disclose a potential, claimed, apparent, or actual conflict of interest pertaining to any person or party described in Subsection 12.1 is Contractor's sole, affirmative duty and that Contractor's failure to identify and disclose any of those types of conflicts of interest is a material breach of this Agreement and a default justifying Agreement termination, as the term "default" is used in Subsection 29.2 (Termination for Contractor's Default). CEA has sole authority and discretion to determine at any time the importance and significance of Contractor's failure to identify and disclose any conflict of interest. Contractor must abide in good faith by any protocols developed by CEA before or during the term of this Agreement to identify, disclose, and address potential, claimed, apparent, and actual conflicts of interest. Contractor promises to provide CEA with any requested information, documentation, and assurances, in writing if so requested, concerning any potential, claimed, apparent, or actual conflict of interest.
- 13.3. Fair Political Practices Laws. Contractor must not directly or indirectly receive any personal benefit from information obtained from CEA, or received or provided on behalf of, CEA. Contractor must disclose to CEA any personal investment or economic interest of any Contractor principal, officer, employee, Key Personnel, contractor, or subcontractor that may be enhanced or made more valuable by any recommendation made to or activity undertaken on behalf of the CEA. Contractor acknowledges that CEA is subject to the provisions of the fair political practices laws of California (California Government Code Section 81000, et seq., and the regulations adopted under that law), and Contractor must comply with the applicable requirements of that law and those regulations. If requested by CEA, designated Contractor personnel (officers, principals, employees, Key Personnel, contractors, or subcontractors) must file with the CEA's designated filing officer a Form 700 "Statement of Economic Interests" in compliance with CEA's Conflict of Interest Code (see: California Code of Regulations, Title 5, Part III, Chapter 1, Section 22000, et seq.).
- 13.4. Neither Contractor, nor any of its affiliates, officers, directors, principals, employees, or Key Personnel, may submit a bid or be awarded a contract to provide services to CEA, procure goods or supplies for CEA, or perform any related action that is an outgrowth of the advice Contractor provides CEA under this Agreement.

### 14. Cumulative Remedies.

The rights and remedies provided in this Agreement are cumulative and are not exclusive of any other rights or remedies any party might otherwise have at law or in equity.

### 15. Drug-Free Workplace.

Contractor must execute and return the certification in *Attachment* \_\_\_ with the signed Agreement. CEA may terminate this Agreement if the Contractor fails to comply with *Attachment* \_\_\_'s drug-free workplace requirements.

### 16. Force Majeure.

Neither Party is liable for damages that result from delayed or defective performance when the delays arise from an event that is beyond the control and without the fault or negligence of the offending Party (“force majeure events”). Force majeure events expressly do not include fires, floods, earthquakes, power failures, or freight embargoes, during those events and their aftermath, the CEA relies on Contractor’s statements and assurances in its *Attachment \_\_\_\_: Business Continuity Plan*, and expects continuity of service.

**17. Indemnification.**

Contractor must indemnify, defend, and save harmless the CEA, the CEA Governing Board and Advisory Panel and their members, and all CEA officers, agents, employees, and staff from and against any and all losses, costs, liabilities, damages, and deficiencies, including interest, penalties, and attorney’s fees, arising from any claims of Contractor’s breach of confidentiality or breach of CEA data-security provisions, which CEA may promulgate from time to time.

**18. Insurance.**

18.1. Contractor warrants that it maintains, or that it will obtain and have bound as of the date of its commencing any work under this Agreement, adequate liability and other necessary insurance, including such workers’ compensation insurance as required by law. At a minimum, Contractor promises to maintain at all times during the term of this Agreement the following coverages and limits:

- A. comprehensive general liability insurance with limits of no less than \$1,000,000 per person and \$1,000,000 per occurrence and \$3,000,000 aggregate, and naming CEA an additional named insured with right to notice of nonpayment of premium and of cancellation of the policy;
- B. automobile liability with limits of no less than \$1,000,000 bodily injury per person, \$1,000,000 bodily injury per accident, and \$1,000,000 property damage, providing coverage for all of Contractor’s owned, non-owned, and hired autos, and naming CEA an additional named insured; and
- C. workers’ compensation and employer’s liability as required by California law.

18.2. On request, Contractor will provide to CEA satisfactory evidence of all required insurance coverage and limits, as well as CEA’s additional-insured status.

18.3. By its signature on this Agreement, Contractor acknowledges that CEA has no obligation to provide workers’ compensation insurance, or employee benefits of any nature, for Contractor or its employees, or for Contractor’s subcontractors or their employees.

**19. Key Personnel.**

19.1. *Attachment \_\_\_\_: Key Personnel* provides the name and title of each person who will exercise on behalf of Contractor a significant administrative, policy, or consulting role under this Agreement. Those personnel are referred to in this Agreement as “Key Personnel.”

19.2. Contractor may not substitute, replace, or reassign any person considered Key Personnel without the CEA’s advance written approval. With the CEA’s approval, the parties may jointly document a change in Key Personnel, and that writing will be deemed a part of this Agreement. All Key Personnel are expressly subject to the provisions of Section 7 (Changes in Control, Organization, or Key Personnel) and Section 21 (Notices).

19.3. In its sole discretion, the CEA is entitled to terminate this Agreement immediately, upon written notice from the CEA to Contractor served pursuant to Section 21 if Contractor changes any of its Key Personnel without the CEA's express, written advance approval or if any one or more of the Key Personnel depart Contractor's staff and no substitute agreed by the Parties has been provided.

**20. Notice of Proceeding.**

Contractor must promptly notify the CEA in writing of any investigation, examination, or other proceeding commenced by any regulatory or other government agency, involving Contractor, any of its key personnel, or its subcontractors, that is not conducted in the ordinary course of Contractor's business.

**21. Notices.**

21.1. Any notice required or permitted by this Agreement is deemed given:

- A. on the date of personal delivery;
- B. three days after the mailing date if the notice is deposited with the U. S. Postal Service with first-class postage affixed; or
- C. on the date of receipt as shown by written (or, if the record is contained only on a computer storage device, stored) evidence of delivery when delivered by U.S. Postal Service Express Mail or by a commercial courier service.

21.2. No notice is effective if given only by fax.

21.3. Notices are to be directed to the following representatives:

For CEA:

California Earthquake Authority    and  
801 K Street, Suite 1000  
Sacramento, California 95814  
Attention: \_\_\_\_\_

California Earthquake Authority  
801 K Street, Suite 1000  
Sacramento, California 95814  
Attention: General Counsel

For Contractor:

Contractor name  
Address  
City, State, ZIP  
Attention: \_\_\_\_\_

**22. Publicity.**

22.1. As used in this Agreement, the term "Publicity" includes, but is not limited to, oral or written statements, announcements, representations, press releases, media commentary, news or trade publications, advertisements, promotional or marketing materials, social media postings, website postings, and any other form of publicity, promotion, or announcement made to any third party or the public at large, either in person or by means of any and all media available now and in the future, including, but not limited to, film, print, electronic, video, radio, television, and digital.

22.2. Contractor must not release, issue, publish, sponsor, offer for publication, or post (collectively, "release") any Publicity concerning the CEA, this Agreement, or Contractor's services under this Agreement, without the CEA's advance, express, written authorization of both Contractor's release and the contents of the Publicity. Contractor may, however, disclose publicly the fact, without detail or elaboration, that the CEA is Contractor's client or customer.

- 22.3. CEA's authorization under this Section 22 is given or withheld at its sole discretion.
- 22.4. Any release of Publicity that the CEA, in its sole judgment, believes violates this Section 22 is a material breach of this Agreement, entitling the CEA to terminate this Agreement for Contractor's Default pursuant to Section 29.2 of this Agreement, and to pursue all other available remedies.

**23. Recordkeeping; Record Retention.**

- 23.1. Contractor will keep accurate and appropriate records to accomplish and document the services it performs under this Agreement. Contractor will use reasonable efforts to ensure that books and records of any permitted subcontractors are accurately maintained.
- 23.2. All books and records described in Subsection 23.1 must be made available for inspection and copying by CEA or its representatives upon reasonable advance notice and during normal business hours.
- 23.3. All information, data, reports, and records associated with CEA are the property of CEA and must be returned or provided to CEA if requested at any time, and as well, upon termination or expiration of this Agreement.

**24. Relationship of the Parties.**

- 24.1. This Agreement creates a relationship of independent contractor. CEA is interested in the results to be achieved under this Agreement, and the conduct of the work will lie with the Contractor. The work Contractor performs under this Agreement, however, must meet the general approval of CEA and will be subject to CEA's general right of inspection and supervision to secure its satisfactory completion.
- 24.2. Contractor's principals, employees, and contractors are not and will not be considered employees of CEA and are not entitled to any benefits provided by CEA, or by the State of California, to its employees.

**25. Reports.**

- 25.1. In addition to project deliverables, Contractor must provide other materials that CEA reasonably requests.
- 25.2. Contractor will provide oral or written progress reports, as requested, in order to:
  - A. determine if Contractor is performing satisfactorily and timely;
  - B. communicate interim findings or findings; and
  - C. facilitate discussion and resolution of issues.

**26. Rights in Work.**

- 26.1. Neither Contractor, nor any subcontractor or other consulting staff employed by Contractor, has or will have any rights in any reports, data, documents, systems, or concepts (collectively, "Products") produced by Contractor for CEA. Only CEA has ownership of the Products that result from services provided under this Agreement, whether by the Contractor or any subcontractor. CEA reserves the sole right to give or otherwise release the Products.
- 26.2. Contractor reserves all rights to its intellectual property ("IP") that predates the work performed for CEA, and to coincidental improvements to its IP made during the performance of the work under this Agreement, to the extent that such IP and coincidental improvements are exclusive of the Products.

- 26.3. With CEA's prior written approval for each publication or presentation proposed by Contractor, CEA may grant Contractor the rights to publish results of its work in professional journals or as presentations at professional conferences. CEA will not unreasonably withhold or delay approval or non-approval.
- 26.4. All Products are, and will be considered for all purposes, works-for-hire, including for purposes of interpretation under U.S. Copyright Law, 17 U.S.C. §101, et seq. To the extent that the Products are not construed as works-for-hire, Contractor will assign, and hereby does assign to CEA, perpetually and without further consideration, all right, title, and interest to the Products. All right, title, and interest in the Products, and any copyright, patent, trade secret, or other proprietary right in the Products, are and will be the sole property of CEA.

**27. Subcontractors.**

- 27.1. Contractor must not subcontract for the performance of any part of its work under this Agreement without the CEA's express, advance, written permission.
- 27.2. Contractor must require in writing of any permitted subcontractor, and on request by CEA demonstrate its having imposed that requirement, that it be bound by all provisions of this Agreement.

**28. Taxes.**

CEA is exempt from Federal excise taxes and will make no payment for or in connection with personal property taxes levied on Contractor or taxes levied on or in connection with Contractor's compensation.

**29. Termination.**

This Agreement can be terminated as follows:

- 29.1. Termination at the Option of the CEA. This Agreement may be terminated in whole or in part, for any reason including the convenience of the CEA, and at any time with 30 days' written notice by CEA. Despite any such termination, and at its sole option, CEA can maintain this Agreement in effect for those transactions pending on the effective date of termination until those transactions are completed. Upon its receipt of a termination notice from CEA, Contractor must promptly discontinue all services affected unless the notice specifies otherwise. If CEA terminates all or any part of this Agreement, CEA will pay Contractor for satisfactory services rendered before the termination, but not more than the maximum amount payable under applicable compensation provisions of this Agreement.
- 29.2. Termination for Contractor's Default. In addition to any other termination right, CEA is entitled, with two days' written notice to Contractor and without any prejudice to its other remedies, to terminate this Agreement because of Contractor's failure to fulfill any of its Agreement obligations—any such failure is termed Contractor's Default. Upon its receipt of any notice from CEA terminating this Agreement for Contractor's Default, Contractor must immediately discontinue all services affected, unless the notice directs otherwise. Following a two-day notice of termination, CEA will pay Contractor only the reasonable value of its services rendered. In CEA's sole discretion and on any terms CEA may choose, CEA may offer Contractor an opportunity to address any default or cure any breach.
- 29.3. Termination for Insolvency. Contractor must notify CEA in writing immediately if Contractor, or if any principal of Contractor:
- A. files or is placed under federal bankruptcy laws;

- B. files or becomes the subject of a state receivership action;
  - C. is adjudged bankrupt;
  - D. has a receiver appointed who qualifies;
  - E. makes an assignment for the benefit of creditors; or
  - F. is the subject of criminal investigation, indictment, or conviction.
- 29.4. If any of the events enumerated in Section 29.3 occurs, or if CEA receives notice of any of those events, or if CEA in its sole discretion reasonably determines there is a substantial probability that Contractor will be unable (financially or otherwise) to continue its performance, CEA is entitled to terminate this Agreement immediately, upon two days' written notice.
- 29.5. Convenience. If CEA gives Contractor a notice of termination for failure to fulfill Agreement obligations and it is later determined that Contractor had not so failed, the termination will be considered to have been for the convenience of the CEA.
- 29.6. Completion. If CEA terminates this Agreement for Contractor's default, CEA reserves the right to take over and complete Contractor's work by any means. Contractor will pay the CEA for any additional costs CEA incurs to complete the work, to the extent that those additional costs were incurred due to Contractor's default.

**30. Termination, Effect of.**

- 30.1. All duties and obligations of CEA and Contractor will cease on termination of this Agreement, except:
- A. each Party will remain liable for any rights, obligations, or liabilities that arose or may arise from its activities under this Agreement before it effectively terminated; and
  - B. those clauses named in Section 37 (Survival).
- 30.2. Within 15 days after the effective termination date, Contractor will deliver to the CEA all CEA records, deliverables, and Products, whether prepared by Contractor or received by Contractor from a third party, including (but not limited to):
- A. due diligence reports;
  - B. reports and data prepared and retained by Contractor, subcontractor, or consultants; and
  - C. (if applicable) products, modified software, manuals, custom scripts, code, and processes.
- 30.3. Together, Contractor and CEA will determine an effective method and form to transfer the records and Products; Contractor must deliver all records and Products in CEA-usable form. Contractor will cooperate to ensure an orderly termination process and orderly transfer of services.
- 30.4. Upon expiration or termination of this Agreement, Contractor must provide all reasonable assistance to move CEA's records, accounts, funds, and required services to CEA's subsequent service provider, if any, without any additional cost to CEA.

**31. Time Is of the Essence.**

Time is of the essence for delivery of services under this Agreement.

**32. Waivers.**

A Party's delay in exercising any right or privilege is not a waiver of any Agreement provision. Neither Party's waiver, or single or partial exercise of any right or privilege will preclude any other or further exercise of any other right or privilege under this Agreement.

### 33. Warranties.

The CEA is committed to, and expects Contractor's commitment to, diversity and nondiscrimination in the workplace. Consistent with the foregoing, Contractor warrants its compliance with the following requirements:

#### 33.1. Employees.

- A. Americans with Disabilities Act. Contractor warrants that it complies with the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.: the "ADA") and all applicable regulations and guidelines issued under the ADA.
- B. Fair Employment and Housing Act. Contractor and subcontractors will comply with the provisions of the Fair Employment and Housing Act (California Government Code section 12900 et seq.) and the related regulations (California Code of Regulations, Title 2, Section 7285.0 et seq.). The regulations of the Fair Employment and Housing Commission that implement Government Code section 12990, subdivisions (a) through (f) (Chapter 5 of Division 4 of Title 2 of the California Code of Regulations), are by this reference made a part of this Agreement.
- C. Nondiscrimination. During the performance of this Agreement, Contractor and its subcontractors, and their agents and employees, must not unlawfully discriminate against, harass, or retaliate against any employee or applicant for employment because of race, religion or religious creed, color, age, sex, sexual orientation, gender identity, genetic information, national origin, marital status, medical condition, disability, military service, pregnancy, childbirth, breastfeeding and related medical conditions, or any other classification protected by federal, state, or local laws or regulations. Contractors and subcontractors, and their agents and employees, are expected to take all appropriate steps to prevent such discrimination, harassment, and retaliation, remedy any such conduct that may occur, and implement appropriate measures to prevent such conduct from occurring in the future.
- D. Not by way of limitation. Contractor must include the nondiscrimination and compliance provisions of this Subsection 33.1 in all permitted subcontracts to perform work under this Agreement.

#### 33.2. Labor.

- A. Collective Bargaining. Contractor and its subcontractors must give written notice of their obligations under this clause to all labor organizations with which they have a collective bargaining or other agreement.
- B. National Labor Relations Board Certification. Contractor affirms, under penalty of perjury, that no more than one final finding of contempt of a federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with a federal court's order to comply with a National Labor Relations Board order.

- 33.3. Standard of care. The personnel or subcontractors responsible for discharging Contractor's duties under this Agreement are experienced in the performance of the duties contemplated and will meet the appropriate standard of care.
- 33.4. Signature Authorization.
- 33.4.1. The execution and performance of this Agreement will not:
- A. violate any provision of any charter document of Contractor;
  - B. violate any statute or any judgment, decree, order, regulation, or rule of any court or governmental authority applicable to Contractor; or
  - C. violate, conflict with, constitute a default under, permit the termination of, or require the consent of any person under, any agreement to which Contractor may be bound, the occurrence of which would have a material adverse effect on the properties, business, prospects, earnings, assets, liabilities, or financial or other condition of Contractor.
- 33.4.2. Contractor, and the person signing the Agreement, warrant that the signer is an agent or authorized representative of the Contractor and is duly authorized by Contractor to enter into this Agreement.
- 33.4.3. Contractor represents and warrants that it has the power and authority to enter this Agreement and carry out its obligations under this Agreement, that it has duly authorized the execution of this Agreement, and that no additional act by Contractor is necessary to authorize the execution of this Agreement. Contractor has completed, obtained, and performed all registrations, filings, approvals, authorizations, consents, and examinations that any government or governmental authority may require for its acts and activities contemplated by this Agreement.
- 33.5. Contractor warrants that it will promptly notify the CEA of any changes in Contractor's compliance with any of the warranties stated here and agrees to restore the warranties, as the CEA in its discretion may require, if a warranty lapse occurs. If the Contractor does not provide notice to the CEA to the contrary, the CEA has the absolute right to rely on the ongoing effectiveness of each warranty stated here.

**34. Term of Agreement.**

34.1. This Agreement is effective when fully executed, and its term expires on [Select Date][Select Date], unless terminated sooner in accordance with the provisions of Section 29 (Termination) or extended by a written amendment signed by both Parties.

34.2 [Renewal provisions]

**35. Entire Agreement.**

35.1. This Agreement states all representations of, and the entire understanding between, the Parties with respect to the subject of this Agreement, and it replaces any prior correspondence, memoranda, or agreements.

35.2. Binding Effect. This Agreement, and any instrument, amendment, or further agreement executed pursuant to this Agreement, will bind the parties, their successors, assignees, and legal representatives.

35.3. Counterparts. This Agreement may be executed in counterparts. Each counterpart is an original; all counterparts together are one instrument.

35.4. Incorporated Documents. This Agreement consists of the terms of this Agreement and all attached documents that are expressly incorporated. The following schedules and attachments are attached and incorporated into this Agreement:

Attachment \_\_\_: Statement of Work

Attachment \_\_\_: Billing Rates

Attachment \_\_\_: Key Personnel

Attachment \_\_\_: Travel Reimbursement for Contractor

Attachment \_\_\_: Drug-Free Workplace Certification

Attachment \_\_\_: Business Continuity Plan

35.5. Order of Precedence. For any inconsistencies or ambiguities in the terms of this Agreement and its incorporated documents and attachments, the following order of precedence will be used:

A. applicable laws;

B. the terms and conditions of this Agreement, including attachments; and then

C. any other provisions, terms, or materials incorporated into this Agreement.

**36. Severability.**

Should any court hold any provision of this Agreement to be void or unenforceable, the remaining provisions will remain in effect if they are still capable of performance.

**37. Survival.**

The following contractual obligations will survive completion of the work or termination of this Agreement: Attorney's Fees and Costs, Audits, Confidentiality, Indemnification, Publicity, Recordkeeping & Record-Retention, Rights in Work, and Warranties.

**38. Titles / Section Headings.**

Titles and section headings are provided for convenience and are not part of this Agreement.

**Attachment 2 - Proposed Fees for Services**

Each proposer must state its proposed fees for services in a format substantially similar to the format below. In addition to any hourly fees, the Contractor may seek compensation for actual mileage/travel expenses, to reimbursed at the CEA-approved rates then in effect.

<b>I. Reinspection Services</b>	
Reinspector/ Adjuster	\$___ per hour (with an estimate of an average number of ___ hours to be expended per reinspection) <i>OR</i> Flat fee of \$___ per reinspection.
Claim Manager/ Management of reinspection process	\$___ per hour.
<b>II. Claim-Consulting Services</b>	
Claim Manager (or equivalent title)	\$___ per hour.
General Adjuster (or equivalent title)	\$___ per hour
Claim Adjuster (or equivalent title)	\$___ per hour
Claim IT Consultant (or equivalent title)	\$___ per hour
Other Categories of personnel (list here)	\$___ per hour \$___ per hour \$___ per hour
<b>III. Readiness Training</b>	
Claim Managers	\$___ for annual readiness meeting with CEA and Contractor management.
Adjusters	\$___ annually to train a minimum of 12 reinspectors
<b>The cost for any readiness training will not exceed a total of \$___ annually.</b>	

**Attachment 3 - Key Personnel**

**Key Personnel**

**Principal Name:** \_\_\_\_\_

Title: \_\_\_\_\_

Education and/or Relevant Experience \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Certifications / Credentials (including length of time each has been held) \_\_\_\_\_

\_\_\_\_\_

**Principal Name:** \_\_\_\_\_

Title: \_\_\_\_\_

Education and/or Relevant Experience \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Certifications / Credentials (including length of time each has been held) \_\_\_\_\_

\_\_\_\_\_