

ORDINANCE 2020-12-17-0941

**APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH THE JENKINS AGENCY, INC. TO PROVIDE CLAIMS AUDIT SERVICES TO THE CITY FOR A TERM OF THREE YEARS BEGINNING JANUARY 1, 2021, AND ENDING DECEMBER 31, 2023, WITH UP TO TWO RENEWAL TERMS OF ONE YEAR EACH, AT CITY'S OPTION, WITH TOTAL COMPENSATION NOT TO EXCEED \$137,500.00.**

\* \* \* \* \*

**WHEREAS**, on September 15, 2020, the City of San Antonio released a Request for Proposal ("RFP") (RFP 20-085) to solicit responses from qualified firms interest in providing claims audit services including, but not limited to conducting an annual claims audit of the City's Third Party Administrator (TPA) workers' compensation and medical cost containment services and the City's internal general liability and auto liability claims handling program; and

**WHEREAS**, a total of two (2) firms responded to the RFP and were deemed eligible for review, and

**WHEREAS**, an evaluation committee comprised of various members of City Staff has evaluated the Proposals based on factors such as experience, background, qualifications, and proposed plan from each Respondent; and

**WHEREAS**, City Staff recommends that the City enter into a Professional Services Agreement for Claims Audit Services with The Jenkins Agency, Inc. to provide claims audit services to the City for an initial three (3) year term beginning January 1, 2021, and ending December 31, 2023, with up to two (2) renewal terms of one (1) year each, at the City's option, with total compensation not to exceed \$137,500.00; and

**WHEREAS**, upon consideration of this recommendation and after deliberations on the matter, the City Council desires to accept the Staff recommendation and authorize execution of this contract; **NOW THEREFORE:**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

**SECTION 1.** The City Manager or designee, or the Director of Risk Management or designee, are each hereby authorized to enter into and execute a Professional Services Agreement for Claims Audit Services with The Jenkins Agency, Inc., to provide claims audit services to the City for an initial three (3) year term beginning January 1, 2021, and ending December 31, 2023, with up to two (2) renewal terms of one (1) year each, at the City's option, with total compensation not to exceed \$137,500.00. A copy of said contract, in substantial form, is attached hereto and incorporated herein by reference, for all purposes as **Attachment I**.

**SECTION 2.** Funding in the amount of \$10,312.50 for this ordinance is available in Fund 75001000, Cost Center 7509020002 and General Ledger 5201040 as part of the Fiscal Year 2021 Adopted Budget approved by City Council.

**SECTION 3.** Funding in the amount of \$10,312.50 for this ordinance is available in Fund 75003000, Cost Center 7501010001 and General Ledger 5201040 as part of the Fiscal Year 2021 Adopted Budget approved by City Council.

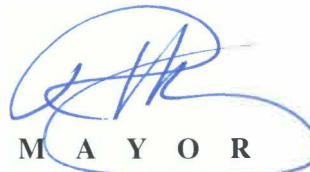
**SECTION 4.** Additional funding in the amount up to \$116,875.00 for this ordinance is contingent upon City Council approval of the Fiscal Year 2022 Budget and subsequent budgets that fall within the contract terms of this ordinance.

**SECTION 5.** Payment in the amount up to \$137,500.00 is authorized to The Jenkins Agency, Inc. and should be encumbered with a purchase order.


**SECTION 6.** The financial allocations in this Ordinance are subject to approval by the Deputy Chief Financial Officer, City of San Antonio. The Deputy Chief Financial Officer may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific Cost Centers, WBS Elements, Internal Orders, General Ledger Accounts, and Fund Numbers as necessary to carry out the purpose of this Ordinance.

**SECTION 7.** This Ordinance is effective upon passage by eight (8) affirmative votes; otherwise, this Ordinance is effective on the tenth (10<sup>th</sup>) day after passage hereof.


**PASSED and APPROVED this the 17<sup>th</sup> day of December, 2020.**

  
**M A Y O R**  
Ron Nirenberg

ATTEST:

  
Tina J. Flores, City Clerk

APPROVED AS TO FORM:

  
Andrew Segovia, City Attorney



## City of San Antonio

### City Council

December 17, 2020

**Item: 34**

**File Number: 20-6729**

**Enactment Number:**

**2020-12-17-0941**

Ordinance approving a professional service agreement to enter into a contract for Claims Audit Services for the City of San Antonio with The Jenkins Agency Inc. The term of this contract is three years, beginning January 1, 2021 and ending December 31, 2023, with an option to extend the contract for up to two one-year extensions, with total compensation not to exceed \$137,500. The estimated FY 2021 expense is \$20,625. Funding in the amount of \$10,312.50 is available in the Workers' Compensation Self Insurance Fund FY 2021 Adopted Budget and funding in the amount of \$10,312.50 is available in the Liability Self Insurance Fund FY 2021 Adopted Budget. Funding for subsequent years is contingent upon City Council approval. [Debra M. Ojo, Director, Office of Risk Management; Ben Gorzell, Chief Financial Officer]

Councilmember John Courage made a motion to approve. Councilmember Manny Pelaez seconded the motion. The motion passed by the following vote:

**Aye:** 11 Nirenberg, Treviño, Andrews-Sullivan, Viagran, Rocha Garcia,  
Gonzales, Cabello Havrda, Sandoval, Pelaez, Courage and Perry

LR  
12/17/2020  
Item No. 34

## ATTACHMENT I

**PROFESSIONAL SERVICES AGREEMENT  
FOR  
CLAIMS AUDIT SERVICES**

This Agreement (hereinafter referred to as "Agreement") is entered into by and between the **CITY OF SAN ANTONIO** (hereinafter referred to as "City"), a Texas Municipal Corporation acting by and through its City Manager or City Manager's designee and The Jenkins Agency, Incorporated (hereinafter referred to as "Consultant"), a corporation formed under the laws of the State of Texas, acting by and through its Executive Vice President Dale Sharpe Jenkins, both of which may be referred to herein collectively as "Parties", pursuant to Ordinance No. \_\_\_\_\_ passed and approved on \_\_\_\_\_.

The Parties hereto severally and collectively agree, and by the execution hereof are bound, to the mutual obligations herein contained and to the performance and accomplishment of the tasks hereinafter described.

**I. DEFINITIONS**

As used in this Agreement, the following terms shall have meanings as set out below:

- 1.1 "City" is defined in the preamble of this Agreement and includes its successors and assigns.
- 1.2 "Director" shall mean the City's Director of Risk Management.
- 1.3 "Consultant" is defined in the preamble of this Agreement and includes its successors.

**II. TERM**

- 2.1 The term of this Agreement shall be for a period of three (3) years beginning January 1, 2021, and ending on December 31, 2023, unless renewal and extension or earlier termination occurs pursuant to any other provision contained in this Agreement.
- 2.2 City shall have the option to renew this Agreement under the same terms and conditions for up to two (2) additional one (1) year extensions. All renewals shall be in writing and signed by the City Manager, City Manager's designee, or the Director of Risk Management, subject to and contingent upon appropriation of funds and expenditures due hereunder. Approval of San Antonio City Council shall not be required for renewals upon the same terms and conditions.
- 2.3 The City may terminate this agreement at any time if funds are restricted, withdrawn, not approved or service is unsatisfactory; it being understood that funds for each calendar year covered by any resulting contract will be requested and, if approved, will be provided as part



of City's budget for each fiscal year. Any additional contract period beyond the initial term set forth in 2.1 is subject to and contingent upon subsequent appropriation.

### **III. SCOPE OF SERVICES**

- 3.1 Consultant agrees to provide the services described in this Article III, entitled Scope of Services, in exchange for the compensation described in Article V. Compensation to Consultant.
- 3.2 Consultant shall develop a methodology for assessing the effectiveness of claims handling practices and procedures, and produce a final report covering all aspects of claims handling. Consultant shall include the criteria set forth described in this Article III. Scope of Services.
- 3.3 Consultant's review will assess the efficiency and effectiveness of the present Third-Party Administrator ("TPA"), Workers' Compensation Healthcare Network ("WCHN") and the City's in-house Claims Division.
- 3.4 Consultant shall review a minimum of 25 Workers' Compensation (WC) claims and a mixture of 30 General Liability (GL) and Automobile Liability (AL) claims of current adjusters.
- 3.5 Consultant shall evaluate staffing levels and the adjusters experience and competence.
- 3.6 Consultant shall provide suggestions for improvement in claims handling, reserving, and reporting.
- 3.7 Consultant's review will assess whether all provisions of the City's contract for services with its TPA are being met, and provide the basis behind all findings.
- 3.8 Consultant's claims and audit report must address the following areas:
  - 3.8.1 Timeliness, adequacy, and accuracy of the claim reserves as facts of a claim change and the impact to the program;
  - 3.8.2 Timeliness and accuracy of payments to injured workers and the impact to the program (WC only);
  - 3.8.3 Effectiveness of medical control cost containment efforts as well as appropriate use of nurse case managers and utilization review services. The TPA will be audited on claims with a date of loss preceding April 1, 2019. The WC Healthcare Network will be audited on claims with a date of injury on or after April 1, 2019 (WC only);
  - 3.8.4 Adjuster direction and control of claims;
  - 3.8.5 Adjuster direction and management of litigation, attorney assignment and resolution of disputed issues (GL and AL only);

- 3.8.6 Documented timely, adequate, and comprehensive supervisory reviews;
  - 3.8.7 Adequacy of file organization and documentation including a valid, well considered and proactive plan of action;
  - 3.8.8 Evaluation of examiner and supervisor caseload size in comparison to both industry and program requirements;
  - 3.8.9 Chronological, comprehensive, and accurate computerized file note documentation;
  - 3.8.10 Effectiveness and thoroughness of the claims investigation techniques, including the appropriateness of the use and direction of outside investigative services;
  - 3.8.11 Evaluation of timely recognition and preservation of subrogation rights;
  - 3.8.12 Evaluation of resolution and closure of claims;
  - 3.8.13 General performance and competence of the administration services being provided;
  - 3.8.14 Areas of deficiencies in claims handling procedures and recommendation(s) to improve the process, providing specific examples;
  - 3.8.15 Recognition of return to work plans and adjuster efforts and coordination of these plans (WC only);
  - 3.8.16 Process and timeliness of adherence to meet critical deadlines (i.e. utilization review process, payment of claims, denial of claims, subrogation notices, eligibility for vocational rehabilitation services, etc.);
  - 3.8.17 Effective use of diary system;
  - 3.8.18 Evaluation of compliance with all relevant statutes and State-mandated timelines (WC only);
  - 3.8.19 Comprehensive and timely contact with injured employees, in accordance with the requirements of City's contract with its TPA (WC only); and
  - 3.8.20 Performance Guarantees as outlined in the WC Healthcare Network contract (WC only).
- 3.9 Consultant's reports shall be in hard copy and electronic format, both with pertinent photographs and supportive investigative evidence. Consultant shall provide City with a Summary Claims Handling Report, which addresses all matters set forth in the Scope of Services. The report will present only summary discussion of data, reasoning, and analyses used in the claims handling process to develop Consultant's opinion of effectiveness. Supporting documentation concerning the data, reasoning, and analyses will be retained by Consultant as part of the work papers. However, documentation shall be available to the City upon City's request and shall be maintained in accordance with Article VII. Records Retention and Accessibility.

- 3.10 In addition to the claim audit services, Consultant shall provide up to fifty (50) hours of annual claims consulting services, which may include, but are not limited to: attending monthly claims review meetings, developing surveys, advising on legislative changes, reviewing TPA bids/best practices/client service instructions, claims oriented training and continuing education credits, and assisting with review of City of San Antonio claims best practices.
- 3.12 All work performed by Consultant hereunder shall be performed to the satisfaction of Director. The determination made by Director shall be final, binding and conclusive on all Parties hereto. City shall be under no obligation to pay for any work performed by Consultant, which is not satisfactory to Director. City shall have the right to terminate this Agreement, in accordance with Article IX. Termination, in whole or in part, should Consultant's work not be satisfactory to Director; however, City shall have no obligation to terminate and may withhold payment for any unsatisfactory work, as stated herein, even should City elect not to terminate. City shall notify Consultant in writing of any decision to withhold payment. Should City elect to terminate, it will do so in accordance with the provisions for Defaults with Opportunity for Cure contained in this Agreement.

#### **IV. GENERAL ASSURANCES**

- 4.1 Consultant covenants and agrees to perform all services described in this Agreement in a workmanlike and professional manner with a high degree of care to ensure accuracy and timeliness. Consultant shall perform its services in accordance with the ordinary, reasonable standard of care and diligence normally practiced by recognized professional firms in performing services of a similar nature, in the San Antonio, Texas area, under similar circumstances. This includes the knowledge and experience ordinarily required of a member of that profession, and includes performing the skills necessary to adequately cope with problems that arise in performing its services, which skills are not possessed by ordinary laymen.
- 4.2 Consultant agrees to employ, at its own expense, all personnel required to perform the services described in this Agreement. Personnel employed by Consultant shall neither be employees of nor have any contractual relationship with City. All Consultant personnel engaged in providing services under this Agreement shall be fully qualified and shall be authorized or licensed to perform such work as required.

#### **V. COMPENSATION TO CONSULTANT**

- 5.1 In consideration of Consultant's performance in a satisfactory and efficient manner, as determined solely by the Director, of all services and activities set forth in this Agreement, City agrees to pay Consultant \$27,500 per year.



- 5.2 Each year, after delivery of the report described in Article III. Scope of Services, Section 3.9 Consultant shall submit invoices to City, in a form acceptable to City, which City shall pay within 30 days of receipt and approval by Director. Invoices shall be submitted to: City of San Antonio, Accounts Payable, P.O. Box 839976, San Antonio, Texas 78283-3976, with a copy to City of San Antonio, Office of Risk Management, P.O. Box 839966, San Antonio, Texas 78283-3966.
- 5.3 No additional fees or expenses of Consultant shall be charged by Consultant nor be payable by City. The parties hereby agree that all compensable expenses of Consultant have been provided for in the total payment to Consultant as specified in section 5.1 above. Total payments to Consultant cannot exceed that amount set forth in section 5.1 above, without prior approval and agreement of all parties, evidenced in writing and approved by the San Antonio City Council by passage of an ordinance therefor.
- 5.4 Final acceptance of work products and services require written approval by City. The approval official shall be Director. Payment will be made to Consultant following written approval of the final work products and services by Director. City shall not be obligated or liable under this Agreement to any party, other than Consultant, for the payment of any monies or the provision of any goods or services.

## **VI. OWNERSHIP OF DOCUMENTS AND CONFIDENTIALITY**

- 6.1 Any and all writings, documents or information in whatsoever form and character produced by Consultant pursuant to the provisions of this Agreement is the exclusive property of City without limitation; and no such writing, document or information shall be the subject of any copyright or proprietary claim by Consultant. City acknowledges and agrees that Consultant's templates, models, and applications used in producing the deliverables required by this Agreement are proprietary to Consultant.
- 6.2 Consultant understands and acknowledges that as the exclusive owner of any and all such writings, documents and information, City has the right to use all such writings, documents and information as City desires, without restriction.

## **VII. RECORDS RETENTION AND ACCESSIBILITY**

- 7.1 Consultant and its subcontractors, if any, shall properly, accurately and completely maintain all documents, papers, and records, and other evidence pertaining to the services rendered hereunder (hereafter referred to as "documents"), and shall make such materials available to City at their respective offices, at all reasonable times and as often as City may deem necessary during the Agreement period, including any extension or renewal hereof, and the record retention period established herein, for purposes of audit, inspection, examination, and making excerpts or copies of same by City and any of its authorized representatives.

- 7.2 Consultant shall retain any and all documents produced as a result of services provided hereunder for a period of four (4) years (hereafter referred to as "retention period") from the date of termination of the Agreement. If, at the end of the retention period, there is litigation or other questions arising from, involving or concerning this documentation or the services provided hereunder, Consultant shall retain the records until the resolution of such litigation or other such questions. Consultant acknowledges and agrees that City shall have access to any and all such documents at any and all times, as deemed necessary by City, during said retention period. City may, at its election, require Consultant to return the documents to City at Consultant's expense prior to or at the conclusion of the retention period. In such event, Consultant may retain a copy of the documents at its sole cost and expense.
- 7.3 Consultant shall maintain the books and records in accordance with prudent standards of insurance recordkeeping and all requirements of federal and state law. Consultant shall establish a method to secure the confidentiality of documents and information that Consultant may have access to in accordance with the applicable federal, state, and local laws, rules, and regulations. This provision shall not be construed as limiting City's right of access to records or other information under this Agreement.
- 7.4 No reports, information, project evaluation, project designs, data or any other documentation developed by, given to, prepared by, or assembled by Consultant under this Agreement shall be disclosed or made available to any individual or organization by Consultant without the express prior written approval of City. Consultant shall notify City, immediately, in the event Consultant receives any requests for information from a third party, which pertain to the documentation and records referenced herein. Consultant understands and agrees that City will process and handle all such requests.

## **VIII. PUBLICATION**

- 8.1 In order to use any advertising relating to business underwritten and/or developed for City, Consultant must obtain approval by City at least ten (10) business days prior to such use.

## **IX. TERMINATION**

- 9.1 For purposes of this Agreement, "termination" of this Agreement shall mean termination by expiration of the Agreement term as stated in Article II. Term, or earlier termination pursuant to any of the provisions hereof.
- 9.2 Termination Without Cause. This Agreement may be terminated by City upon 30 calendar days' written notice, which notice shall be provided in accordance with Article X. Notice.
- 9.3 Termination For Cause. Upon written notice, which notice shall be provided in accordance with Article X. Notice, City may terminate this Agreement as of the date provided in the notice,

in whole or in part, upon the occurrence of one (1) or more of the following events, each of which shall constitute an Event for Cause under this Agreement:

9.3.1 The sale, transfer, pledge, conveyance or assignment of this Agreement without prior approval, as provided in Article XV. Assignment and Subcontracting;

9.3.2 Any material breach of the term of this Agreement, as determined solely by City.

9.4 Defaults With Opportunity for Cure. Should Consultant default in the performance of this Agreement in a manner stated in this section 9.4 below, same shall be considered an event of default. City shall deliver written notice of said default specifying such matter(s) in default. Consultant shall have thirty (30) calendar days after receipt of the written notice, in accordance with Article X. Notice, to cure such default. If Consultant fails to cure the default within such thirty (30) day cure period, City shall have the right, without further notice, to terminate this Agreement in whole or in part as City deems appropriate, and to contract with another consultant to complete the work required in this Agreement. City shall also have the right to offset the cost of said new Agreement with a new consultant against Consultant's future or unpaid invoice(s), subject to the duty on the part of City to mitigate its losses to the extent required by law.

9.4.1 Failure to comply with the terms and conditions stated in Attachment 1 – SBEDA;

9.4.2 Bankruptcy or selling substantially all of company's assets;

9.4.3 Failing to perform or failing to comply with any covenant herein required; or

9.4.4 Performing unsatisfactorily.

9.5 Termination by Law. If any state or federal law or regulation is enacted or promulgated which prohibits the performance of any of the duties herein, or, if any law is interpreted to prohibit such performance, this Agreement shall automatically terminate as of the effective date of such prohibition.

9.6 Regardless of how this Agreement is terminated, Consultant shall effect an orderly transfer to City or to such person(s) or firm(s) as City may designate, at no additional cost to City, all City-provided documents, papers, records, charts, reports, and any final reports produced as a result of or pertaining to the services rendered by Consultant, or provided to Consultant, hereunder, regardless of storage medium, if so requested by City, or shall otherwise be retained by Consultant in accordance with Article VII. Records Retention. Any record transfer shall be completed within thirty (30) calendar days of a written request by City in accordance with Article X. Notice, and shall be completed at Consultant's sole cost and expense. Payment of compensation due or to become due to Consultant is conditioned upon delivery of all such documents, if requested by City.

9.7 Within forty-five (45) calendar days of the effective date of completion, or termination or expiration of this Agreement, Consultant shall submit to City its claims, in detail, for the monies owed by City for services performed under this Agreement through the effective date of



termination. Failure by Consultant to submit its claims within said forty-five (45) calendar days shall negate any liability on the part of City and constitute a **Waiver** by Consultant of any and all right or claims to collect moneys that Consultant may rightfully be otherwise entitled to for services performed pursuant to this Agreement.

- 9.8 Upon the effective date of expiration or termination of this Agreement, Consultant shall cease all operations of work being performed by Consultant or any of its subcontractors pursuant to this Agreement.
- 9.9 Termination not sole remedy. In no event shall City's action of terminating this Agreement, whether for cause or otherwise, be deemed an election of City's remedies, nor shall such termination limit, in any way, at law or at equity, City's right to seek damages from or otherwise pursue Consultant for any default hereunder or other action.

## X. NOTICE

- 10.1 Except where the terms of this Agreement expressly provide otherwise, any election, notice or communication required or permitted to be given under this Agreement shall be in writing and deemed to have been duly given if and when delivered personally (with receipt acknowledged), or three (3) days after depositing same in the U.S. mail, first class, with proper postage prepaid, or upon receipt if sending the same by certified mail, return receipt requested, or upon receipt when sent by a commercial courier service (such as Federal Express or DHL Worldwide Express) for expedited delivery to be confirmed in writing by such courier, at the addresses set forth below or to such other address as either party may from time to time designate in writing.

If intended for City, to:

City of San Antonio  
Office of Risk Management  
Attn: Debra Ojo, Director  
P.O. Box 839966  
San Antonio, TX 78283-3966

If intended for Consultant to:

The Jenkins Agency, Inc.  
Attn: Dale Jenkins; Executive Vice President  
2000 E. Lamar Blvd. #600  
Arlington, Texas 76006

## XI. INTELLECTUAL PROPERTY

- 11.1 Intellectual Property. Consultant agrees to abide by the following regarding intellectual property rights:
- 11.1.1 Consultant shall pay all royalties and licensing fees. Consultant shall hold the City harmless and indemnify the City from the payment of any royalties, damages, losses or expenses including attorney's fees for suits, claims or otherwise, growing out of infringement or alleged infringement of copyrights, patents, materials and methods used in the project. It shall defend all suits for infringement of any Intellectual Property rights. Further, if Consultant has reason to believe that the design, service, process or

product specified is an infringement of an Intellectual Property right, it shall promptly give such information to the City.

- 11.1.2 Upon receipt of notification that a third party claims that the program(s), hardware or both the program(s) and the hardware infringe upon any United States patent or copyright, Consultant will immediately:
- a. obtain, at Consultant's sole expense, the necessary license(s) or rights that would allow the City to continue using the programs, hardware, or both the programs and hardware, as the case may be, or,
  - b. alter the programs, hardware, or both the programs and hardware so that the alleged infringement is eliminated, and
  - c. reimburse the City for any expenses incurred by the City to implement emergency backup measures if the City is prevented from using the programs, hardware, or both the programs and hardware while the dispute is pending.
- 11.1.3 Consultant further agrees to:
- a. assume the defense of any claim, suit, or proceeding brought against the City for infringement of any United States patent or copyright arising from the use and/or sale of the equipment or software under this Agreement,
  - b. assume the expense of such defense, including costs of investigations, reasonable attorneys' fees, expert witness fees, damages, and any other litigation-related expenses, and indemnify the City against any monetary damages and/or costs awarded in such suit;

Provided that:

- a. Consultant is given sole and exclusive control of all negotiations relative to the settlement thereof, but that Consultant agrees to consult with the City Attorney of the City during such defense or negotiations and make good faith effort to avoid any position adverse to the interest of the City,
- b. the Software or the equipment is used by the City in the form, state, or condition as delivered by Consultant or as modified without the permission of Consultant, so long as such modification is not the source of the infringement claim,
- c. the liability claimed shall not have arisen out of the City's negligent act or omission, and the City promptly provide Consultant with written notice within fifteen (15) days following the formal assertion of any claim with respect to which the City asserts that Consultant assumes responsibility under this section.

- 11.2 Ownership and Licenses. In accordance with Texas law, Consultant acknowledges and agrees that all local government records created or received in the transaction of official business or the creation or maintenance of which were paid for with public funds are declared to be public property and subject to the provisions of Chapter 201 of the Texas Local Government Code and Subchapter J, Chapter 441 of the Texas Government Code. Thus, no such local



government records produced by or on the behalf of Consultant pursuant to the resulting contract shall be the subject of any copyright or proprietary claim by Consultant.

- 11.3 The term "local government record" as used in this document means any document, paper, letter, book, map, photograph, sound or video recording, microfilm, magnetic tape, electronic medium, or other information recording medium, regardless of physical form or characteristic and regardless of whether public access to it is open or restricted under the laws of the state, created or received by local government or any of its officials or employees pursuant to law including an ordinance, or in the transaction of official business.
- 11.4 Consultant acknowledges and agrees that all local government records, as described in this document, produced in the course of the work pursuant to this Agreement, will belong to and be the property of City. Consultant will be required to turn over to City, all such records as required by said contract. Consultant shall not, under any circumstances, release any records created during the course of performance of the contract to any entity without City's written permission, unless required to do so by a Court of competent jurisdiction.
- 11.5 Consultant agrees to comply with all applicable federal, state, and local law, rules and regulations governing documents and ownership, access and retention.

## **XII. NON-DISCRIMINATION**

- 12.1 As a party to this contract, Consultant understands and agrees to comply with the Non-Discrimination Policy of the City of San Antonio contained in Chapter 2, Article X. of the City Code and further, shall not discriminate on the basis of race, color, religion, national origin, sex, sexual orientation, gender identity, veteran status, age or disability, unless exempted by state or federal law, or as otherwise established herein.

## **XIII. INSURANCE**

- 13.1 Prior to the commencement of any work under this Contract, Consultant shall furnish copies of all required endorsements and completed Certificate(s) of Insurance to the **Office of Risk Management**, which shall be clearly labeled "**RFP – Claims Audit Services**" in the Description of Operations block of the Certificate. The Certificate(s) shall be completed by an agent and signed by a person authorized by that insurer to bind coverage on its behalf. The City will not accept a Memorandum of Insurance or Binder as proof of insurance. The certificate(s) must be signed by the Authorized Representative of the carrier, and list the agent's signature and phone number. The certificate shall be mailed, with copies of all applicable endorsements, directly from the insurer's authorized representative to the City. The City shall have no duty to pay or perform under this Contract until such certificate and endorsements have been received and approved by the **Office of Risk Management**. No officer or employee, other than the City's Risk Manager, shall have authority to waive this requirement.

- 13.2 The City reserves the right to review the insurance requirements of this Article during the effective period of this Contract and any extension or renewal hereof and to modify insurance coverages and their limits when deemed necessary and prudent by City's Risk Manager based upon changes in statutory law, court decisions, or circumstances surrounding this Contract. In no instance will City allow modification whereby City may incur increased risk.
- 13.3 A Consultant's financial integrity is of interest to the City; therefore, subject to Consultant's right to maintain reasonable deductibles in such amounts as are approved by the City, Consultant shall obtain and maintain in full force and effect for the duration of this Contract, and any extension hereof, at Consultant's sole expense, insurance coverage written on an occurrence basis, unless otherwise indicated, by companies authorized to do business in the State of Texas and with an A.M Best's rating of no less than A- (VII), in the following types and for an amount not less than the amount listed below:

<u>TYPE</u>	<u>AMOUNTS</u>
1. Workers' Compensation	Statutory
2. Employers' Liability	\$500,000/\$500,000/\$500,000
3. Broad form Commercial General Liability Insurance to include coverage for the following: a. Premises/Operations b. Independent Contractors c. Products/Completed Operations d. Personal Injury e. Contractual Liability f. Damage to property rented by you	'For <u>Bodily Injury</u> and <u>Property Damage</u> of \$1,000,000 per occurrence; \$2,000,000 General Aggregate, or its equivalent in Umbrella or Excess Liability Coverage  f. \$100,000
4. Business Automobile Liability a. Owned/leased vehicles b. Non-owned vehicles c. Hired Vehicles	<u>Combined Single Limit</u> for <u>Bodily Injury</u> and <u>Property Damage</u> of \$1,000,000 per occurrence
5. Professional Liability (Claims-made basis) To be maintained and in effect for no less than two years subsequent to the completion of the professional service.	\$1,000,000 per claim, to pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages by reason of any act, malpractice, error, or omission in professional services.

- 13.4 Consultant agrees to require, by written contract, that all subcontractors providing goods or services hereunder obtain the same categories of insurance coverage required of Consultant herein, and provide a certificate of insurance and endorsement that names the Consultant and the CITY as additional insureds. Policy limits of the coverages carried by subcontractors will be determined as a business decision of Consultant. Consultant shall provide the CITY with said certificate and endorsement prior to the commencement of any work by the subcontractor. This provision may be modified by City's Risk Manager, without subsequent City Council

approval, when deemed necessary and prudent, based upon changes in statutory law, court decisions, or circumstances surrounding this contract. Such modification may be enacted by letter signed by City's Risk Manager, which shall become a part of the contract for all purposes.

- 13.5 As they apply to the limits required by the City, the City shall be entitled, upon request and without expense, to receive copies of the policies, declaration page, and all required endorsements. Consultant shall be required to comply with any such requests and shall submit requested documents to City at the address provided below within 10 days. Consultant shall pay any costs incurred resulting from provision of said documents.

City of San Antonio  
Attn: **Office of Risk Management**  
P.O. Box 839966  
San Antonio, Texas 78283-3966

- 13.6 Consultant agrees that with respect to the above-required insurance, all insurance policies are to contain or be endorsed to contain the following provisions:
- Name the City, its officers, officials, employees, volunteers, and elected representatives as additional insureds by endorsement, as respects operations and activities of, or on behalf of, the named insured performed under contract with the City, with the exception of the workers' compensation and professional liability policies;
  - Provide for an endorsement that the "other insurance" clause shall not apply to the City of San Antonio where the City is an additional insured shown on the policy;
  - Workers' compensation, employers' liability, general liability, and automobile liability policies will provide a waiver of subrogation in favor of the City.
  - Provide advance written notice directly to City of any suspension or non-renewal in coverage, and not less than ten (10) calendar days advance notice for nonpayment of premium.
- 13.7 Within five (5) calendar days of a suspension, cancellation or non-renewal of coverage, Consultant shall provide a replacement Certificate of Insurance and applicable endorsements to City. City shall have the option to suspend Consultant's performance should there be a lapse in coverage at any time during this contract. Failure to provide and to maintain the required insurance shall constitute a material breach of this Agreement.
- 13.8 In addition to any other remedies the City may have upon Consultant's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, the City shall have the right to order Consultant to stop work hereunder, and/or withhold any payment(s) which become due to Consultant hereunder until Consultant demonstrates compliance with the requirements hereof.



- 13.9 Nothing herein contained shall be construed as limiting in any way the extent to which Consultant may be held responsible for payments of damages to persons or property resulting from Consultant's or its subcontractors' performance of the work covered under this contract.
- 13.10 It is agreed that Consultant's insurance shall be deemed primary and non-contributory with respect to any insurance or self-insurance carried by the City of San Antonio for liability arising out of operations under this contract.
- 13.11 It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this contract and that no claim or action by or on behalf of the City shall be limited to insurance coverage provided.
- 13.12 Consultant and any Subcontractors are responsible for all damage to their own equipment and/or property.

#### **XIV. INDEMNIFICATION**

- 14.1 **CONSULTANT covenants and agrees to FULLY INDEMNIFY, DEFEND and HOLD HARMLESS, the CITY and the elected officials, employees, officers, directors, volunteers and representatives of the CITY, individually and collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal or bodily injury, death and property damage, made upon the CITY directly or indirectly arising out of, resulting from or related to CONSULTANT'S activities under this Contract, including any acts or omissions of CONSULTANT, any agent, officer, director, representative, employee, consultant or subcontractor of CONSULTANT, and their respective officers, agents employees, directors and representatives while in the exercise of the rights or performance of the duties under this Contract. The indemnity provided for in this paragraph shall not apply to any liability resulting from the negligence of CITY, its officers or employees, in instances where such negligence causes personal injury, death, or property damage. IN THE EVENT CONSULTANT AND CITY ARE FOUND JOINTLY LIABLE BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS FOR THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE CITY UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW. In addition, Consultant agrees to indemnify, defend, and hold the City harmless from any claim involving patent infringement, trademarks, trade secrets, and copyrights on goods supplied.**
- 14.2 The provisions of this INDEMNITY are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity. CONSULTANT shall advise the CITY in writing within 24 hours of any claim or demand against

the CITY or CONSULTANT known to CONSULTANT related to or arising out of CONSULTANT's activities under this CONTRACT and shall see to the investigation and defense of such claim or demand at CONSULTANT's cost. The CITY shall have the right, at its option and at its own expense, to participate in such defense without relieving CONSULTANT of any of its obligations under this paragraph.

- 14.3 Defense Counsel. City shall have the right to select or to approve defense counsel to be retained by Consultant in fulfilling its obligation hereunder to defend and indemnify City, unless such right is expressly waived by City in writing. Consultant shall retain City approved defense counsel within seven (7) business days of City's written notice that City is invoking its right to indemnification under this Contract. If Consultant fails to retain Counsel within such time period, City shall have the right to retain defense counsel on its own behalf, and Consultant shall be liable for all costs incurred by City. City shall also have the right, at its option, to be represented by advisory counsel of its own selection and at its own expense, without waiving the foregoing.
- 14.4 Employee Litigation. In any and all claims against any party indemnified hereunder by any employee of Consultant, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligation herein provided shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for Consultant or any subcontractor under worker's compensation or other employee benefit acts.

## **XV. ASSIGNMENT AND SUBCONTRACTING**

- 15.1 Consultant shall supply qualified personnel as may be necessary to complete the work to be performed under this Agreement. Persons retained to perform work pursuant to this Agreement shall be the employees or subcontractors of Consultant. Consultant, its employees, or its subcontractors shall perform all necessary work.
- 15.2 It is City's understanding and this Agreement is made in reliance thereon, that Consultant intends to use the following subcontractors in the performance of this Agreement: NONE. Any deviation from this subcontractor list, whether in the form of deletions, additions, or substitutions shall be approved by City of San Antonio City Council ("City Council"), as evidenced by passage of an ordinance, prior to the provision of any services by said subcontractor.
- 15.3 Any work or services approved for subcontracting hereunder shall be subcontracted only by written contract and, unless specific waiver is granted in writing by City, shall be subject by its terms to each and every provision of this Agreement. Compliance by subcontractors with this Agreement shall be the responsibility of Consultant. City shall in no event be obligated to any third party, including any subcontractor of Consultant, for performance of services or payment of fees. Any references in this Agreement to an assignee, transferee, or subcontractor, indicate



only such an entity as has been approved by City Council.

- 15.4 Except as otherwise stated herein, Consultant shall not assign, sell, pledge, transfer or convey any interest in this Agreement, nor delegate the performance of any duties hereunder, by transfer, by subcontracting, or any other means, to any other party without prior written consent of City Council, as evidenced in writing signed and agreed to by Parties. As a condition of such consent, if such consent is granted, Consultant shall remain liable for completion of the services outlined in this Agreement in the event of default by the successor Consultant, assignee, transferee, or subcontractor.
- 15.5 Any such attempt to transfer, pledge or otherwise assign this Agreement without said written approval, shall be void *ab initio*, and shall confer no rights on the purported assignee. Should Consultant assign, transfer, convey, delegate or otherwise dispose of any part of, or all of, its right, title or interest in this Agreement, the City may, at its option, cancel this Agreement and all rights, titles and interest of Consultant shall thereupon cease and terminate, notwithstanding any other remedy available to City under this Agreement. The violation of this provision by Consultant shall in no event release Consultant from any obligation under the terms of this Agreement, nor shall it relieve or release Consultant from the payment of any damages to City which City sustains as a result of such violation.

#### **XVI. INDEPENDENT CONTRACTOR**

- 16.1 Consultant covenants and agrees that it is an independent contractor and not an officer, agent, servant or employee of City; that Consultant shall have exclusive control of and exclusive right to control the details of the work performed hereunder and all persons performing same, and shall be responsible for the acts and omissions of its officers, agents, employees, contractors, subcontractors and consultants; that the doctrine of "respondent superior" shall not apply as between City and Consultant, its officers, agents, employees, contractors, subcontractors and consultants, and nothing herein shall be construed as creating the relationship of employer- employee, principal-agent, partners or joint venturers between City and Consultant. The parties hereto understand and agree that the City shall not be liable for any claims which may be asserted by any third party occurring in connection with the services to be performed by the Consultant under this Agreement and that the Consultant has no authority to bind the City.

#### **XVII. SMALL BUSINESS ECONOMIC DEVELOPMENT ADVOCACY (SBEDA)**

- 17.1 Consultant shall comply with the requirements of the City of San Antonio Small Business Economic Development Advocacy Ordinance (Ordinance No, 2010-06-17-0531, as amended), as further described in **Attachment 1** hereto (the "SBEDA Requirements") for City funds being used in the performance and accomplishment of this Agreement.

#### **XVIII. CONFLICT OF INTEREST**

- 18.1 The Charter of the City of San Antonio and the City of San Antonio Code of Ethics prohibit a City officer or employee, as those terms are defined in Section 2-52 of the Code of Ethics, from having a direct or indirect financial interest in any contract with the City. An officer or employee has a "prohibited financial interest" in a contract with the City or in the sale to the City of land, materials, supplies or service, if any of the following individual(s) or entities is a party to the contract or sale:
- a City officer or employee; his or her spouse, sibling, parent, child or other family member within the first degree of consanguinity or affinity;
  - an entity in which the officer or employee, or his or her parent, child or spouse directly or indirectly owns (i) 10 percent or more of the voting stock or shares of the entity, or (ii) 10 percent or more of the fair market value of the entity; or
  - an entity in which any individual or entity listed above is (i) a subcontractor on a City contract, (ii) a partner or (iii) a parent or subsidiary entity.
- 18.2 Pursuant to the subsection above, Consultant warrants and certifies, and this Agreement is made in reliance thereon, that it, its officers, employees and agents are neither officers nor employees of the City. Consultant further warrants and certifies that it has tendered to the City a Discretionary Contracts Disclosure Statement in compliance with the City's Ethics Code.

## **XIX. AMENDMENTS**

- 19.1 Except where the terms of this Agreement expressly provide otherwise, any alterations, additions, or deletions to the terms hereof, shall be effected by amendment, in writing, executed by both City and Consultant. Director shall have authority to execute amendments on behalf of the City without further action by the San Antonio City Council, subject to and contingent upon appropriation of funds for any increase in expenditures by the City.

## **XX. SEVERABILITY**

- 20.1 If any clause or provision of this Agreement is held invalid, illegal or unenforceable under present or future federal, state or local laws, including but not limited to the City Charter, City Code, or ordinances of the City of San Antonio, Texas, then and in that event it is the intention of the parties hereto that such invalidity, illegality or unenforceability shall not affect any other clause or provision hereof and that the remainder of this Agreement shall be construed as if such invalid, illegal or unenforceable clause or provision was never contained herein; it is also the intention of the parties hereto that in lieu of each clause or provision of this Agreement that is invalid, illegal, or unenforceable, there be added as a part of the Agreement a clause or provision as similar in terms to such invalid, illegal or unenforceable clause or provision as may be possible, legal, valid and enforceable.

## **XXI. LICENSES/CERTIFICATIONS**

- 21.1 Consultant warrants and certifies that Consultant and any other person designated to provide services hereunder has the requisite training, license and/or certification to provide said

services, and meets all competence standards promulgated by all other authoritative bodies, as applicable to the services provided herein.

## **XXII. COMPLIANCE**

- 22.1 Consultant shall provide and perform all services required under this Agreement in compliance with all applicable federal, state and local laws, rules and regulations.

## **XXIII. NONWAIVER OF PERFORMANCE**

- 23.1 Unless otherwise specifically provided for in this Agreement, a waiver by either Party of a breach of any of the terms, conditions, covenants or guarantees of this Agreement shall not be construed or held to be a waiver of any succeeding or preceding breach of the same or any other term, condition, covenant or guarantee herein contained. Further, any failure of either Party to insist in any one or more cases upon the strict performance of any of the covenants of this Agreement, or to exercise any option herein contained, shall in no event be construed as a waiver or relinquishment for the future of such covenant or option. In fact, no waiver, change, modification or discharge by either party hereto of any provision of this Agreement shall be deemed to have been made or shall be effective unless expressed in writing and signed by the party to be charged. In case of City, such changes must be approved by the City Council, as described in Article XIX. Amendments. No act or omission by a Party shall in any manner impair or prejudice any right, power, privilege, or remedy available to that Party hereunder or by law or in equity, such rights, powers, privileges, or remedies to be always specifically preserved hereby.

## **XXIV. LAW APPLICABLE & LEGAL FEES**

- 24.1 **THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS AND ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE IN BEXAR COUNTY, TEXAS.**
- 24.2 Any legal action or proceeding brought or maintained, directly or indirectly, as a result of this Agreement shall be heard and determined in the City of San Antonio, Bexar County, Texas.
- 24.3 The Parties hereto expressly agree that, in the event of litigation, each party hereby waives its right to payment of attorneys' fees.

## **XXV. LEGAL AUTHORITY**

- 25.1 The signer of this Agreement for Consultant represents, warrants, assures and guarantees that he has full legal authority to execute this Agreement on behalf of Consultant and to bind Consultant to all of the terms, conditions, provisions and obligations herein contained.

## **XXVI. PARTIES BOUND**



- 26.1 This Agreement shall be binding on and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, and successors and assigns, except as otherwise expressly provided for herein.

## **XXVII. CAPTIONS**

- 27.1 The captions contained in this Agreement are for convenience of reference only, and in no way limit or enlarge the terms and/or conditions of this Agreement.

## **XXVIII. INCORPORATION OF ATTACHMENTS**

- 28.1 Each of the Attachments listed below is an essential part of the Agreement, which governs the rights and duties of the parties, and shall be interpreted in the order of priority as appears below, with this document taking priority over all Attachments:

Attachment 1: SBEDA

## **XXIX. RESERVED**

## **XXX. PROHIBITION ON CONTRACTS WITH COMPANIES BOYCOTTING ISRAEL**

- 30.1 Texas Government Code §2270.002 provides that a governmental entity may not enter into a contract with a company for goods or services, unless the contract contains a written verification from the company that it:
- (1) does not boycott Israel; and
  - (2) will not boycott Israel during the term of the contract.
- 30.2 "Boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.
- 30.3 "Company" means a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations that exists to make a profit.
- 30.4 By submitting an offer to or executing contract documents with the City of San Antonio, Company hereby verifies that it does not boycott Israel, and will not boycott Israel during the term of the contract. City's hereby relies on Company's verification. If found to be false, City may terminate the contract for material breach.

**XXXI. PROHIBITION ON CONTRACTS WITH COMPANIES  
ENGAGED IN BUSINESS WITH IRAN, SUDAN, OR  
FOREIGN TERRORIST ORGANIZATION**

- 31.1 Texas Government Code §2252.152 provides that a governmental entity may not enter into a governmental contract with a company that is identified on a list prepared and maintained under Texas Government Code §§2270.0201 or 2252.153. Consultant hereby certifies that it is not identified on such a list and that it will notify City should it be placed on such a list while under contract with City. City hereby relies on Consultant's certification. If found to be false, or if Consultant is identified on such list during the course of its contract with City, City may terminate this Agreement for material breach.

**XXXII. ENTIRE AGREEMENT**

- 32.1 This Agreement, together with its authorizing ordinance and its attachments, if any, constitute the final and entire agreement between the parties hereto and contain all of the terms and conditions agreed upon. No other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind the parties hereto, unless same is in writing, dated subsequent to the date hereto and duly executed by the parties, in accordance with Article XIX. Amendments.

**XXXIII. COUNTERPARTS; FACSIMILE OR EMAIL SIGNATURES**

- 33.1 This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of such counterparts shall constitute one agreement. To facilitate execution of this Agreement, the parties may execute and exchange by telephone facsimile or email counterparts of the signature pages.



**EXECUTED** and **AGREED** to as of the dates indicated below.

**CITY OF SAN ANTONIO**

**CONSULTANT**

The Jenkins Agency, Inc.

\_\_\_\_\_  
(Signature)

Printed Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

Printed Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

Dale Sharpe Jenkins

Exec. V.P.

11/25/2020

Approved as to Form:

\_\_\_\_\_  
Assistant City Attorney

**Attachment 1**  
SBEDA