



Contract Number

SAP Number

Human Resources

Department Contract Representative	<u>HR Division Chief</u>
Telephone Number	<u>(909) 387-9676</u>
Contractor	<u>Blue Shield of California</u>
Contractor Representative	<u>Monica Matallana, Account Executive</u>
Telephone Number	<u>(909) 607-2000</u>
Contract Term	<u>July 27, 2024- July 31, 2027</u>
Original Contract Amount	<u>N/A</u>
Amendment Amount	<u>N/A</u>
Total Contract Amount	<u>N/A</u>
Cost Center	<u></u>
Grant Number (if applicable)	<u>N/A</u>

IT IS HEREBY AGREED AS FOLLOWS:

This Contract is entered into as of July 27, 2024 between Blue Shield of California (hereinafter referred to as Contractor) and the County of San Bernardino (hereinafter referred to as County).

WHEREAS, San Bernardino County (County) desires to designate Contractor as a provider for group Health Maintenance Organization (HMO), Preferred Provider Organization (PPO), Needles Preferred Provider Organization and Bronze Preferred Provider Organization benefits to active employees, Consolidated Omnibus Budget Reconciliation Act (COBRA) participants, and their eligible dependents; and

WHEREAS, the County conducted a competitive process to find Blue Shield of California (Contractor) to provide these services, and

WHEREAS, the County finds Contractor qualified to provide these services; and

WHEREAS, the County desires that such services be provided by Contractor and Contractor agrees to perform these services as set forth below;

NOW, THEREFORE, the County and Contractor mutually agree to the following terms and conditions:

A. DEFINITIONS

A.1 Board: The San Bernardino County Board of Supervisors.

A.2 County: San Bernardino County is a local governmental agency in Southern California with more than 20,000 square miles. Los Angeles County borders the County on its west end, Riverside County borders the County on its south end, Nevada and Arizona border the County on its east end, and Nevada borders the County on its north end. The County is the largest County geographically in the United States.

B. CONTRACTOR RESPONSIBILITIES

B.1 Implement, maintain, and expand, as necessary, a network of primary care medical providers as well as specialists and hospitals sufficient to provide the benefits outlined in this contract to the County's eligible employees and their eligible dependents. An alternative, yet comparable network or other solution must be provided for employees working in Needles, Trona, or Baker, if the HMO network does not sufficiently provide these employees with access to an adequate selection of primary care medical providers.

B.2 Accept via electronic file transfer (FTP) a benefit enrollment file which adheres to the ASC X12N 834 file specifications which has been PGP encrypted.

B.3 Accept via electronic file (e.g. excel file) a benefit enrollment file for all enrollees not being reported via the ASCX12N834 file specifications which has been PGP encrypted or provide access to an employer portal which allows the County to add members to eligibility system.

B.4 Assist in the design, implementation, and administration of modifications to the medical benefits.

B.5 Adhere to a set of agreed upon performance standards, where 2% of premium is at risk annually, as set forth in Attachment A- Blue Shield Performance guarantees.

B.6 Demonstrate measurable steps towards ensuring that high quality care is provided

B.7 Provide assistance, technically and creatively, in the on-going development and preparation of various employee communication materials.

B.8 Provide semi-annual and annual utilization reports broken down by plan of benefits, members, spouses and dependents, and type of service. Such reports should also include details on the type of illnesses or injuries being treated for employee, spouse and dependent.

B.9 Attend and provide resources to help support all County open enrollment meetings and health fairs for active County employees as scheduled by the County.

B.10 Attend New Employee Orientation Expos when scheduled.

B.11 Maintain complete and accurate records with respect to all matters and services provided to the County

B.12 Make prompt payment for claims for medical care benefits.

B.13 Provide claims processing for claims incurred during the contract, including claims submitted after the termination date of the contract at no additional cost to the County. Such continuance must continue for a minimum of 12 months after the termination of the contract with the County.

B.14 Periodically provide reasonable access to a County-appointed auditor(s) to perform audits to determine accuracy of claims payments and appropriate grievance administration. Make the County whole financially for errors identified and, in the event errors are discovered that exceed industry standards, pay for the cost of such audit.

- B.15** Provide complete and accurate electronic records of County medical, hospital, and prescription drug claims paid to any succeeding Contractor in the manner and format necessary to continue employee medical, hospital and prescription drug coverage, at no additional cost to the County.
- B.16** Provide a final contract for the active insured HMO and PPO plans to the County by April 1 of each year or within 60 days of receiving confirmation of the renewal for Active employees, subject to any changes to be implemented by the County.
- B.17** Establish an account management and servicing relationship with the County that emphasizes proactive regular contact and timely responses to administrative issues and a commitment to innovative approaches to implementing the County's Wellness and Cost Containment Strategy (WCCS).
- B.18** Agree to have appropriate staff regularly attend the County's WCCS meetings.
- B.19** Complete and submit on a semi-annual basis, an Executive Summary Analysis, Dashboard, and Action Plan for use in evaluating the effectiveness of County's WCCS. Satisfaction of this requirement will be subject to performance guarantees.
- B.20** Provide cost and disease prevalence data, technical, creative, financial, clinical and wellness resources and program and performance metrics in support of the implementation of the County's Wellness and Cost Containment Strategy (WCCS).
- B.21** Contractor agrees the period of time to accept retroactive enrollments and corrections for the active employee plans shall not exceed 90 days.
- B.22** The County shall administer applicable Federal COBRA plans.
- B.23** Contractor agrees the period of time to accept retroactive enrollments and corrections for the Federal COBRA plans shall not exceed 120 days.
- B.24** Contractor shall administer applicable Cal COBRA plans.
- B.25** Conduct discrepancy reporting, timely and accurately, to ensure that enrollment is validated and/or corrected within mutually agreed upon time frames.
- B.26** Agree that there shall be no charge for history and take over data/reports to any subsequent Contractor for the Active plan.

C. ELIGIBILITY

Employees, their spouses or domestic partners and their dependent children that meet the eligibility requirements established by the County may enroll in the plans described herein.

- C.1** Newborns are covered on the date of their birth for the first thirty one (31) days during which the subscriber must enroll the newborn for participation in the plan within sixty (60) days.
- C.2** Medicare eligibility shall not affect eligibility of an eligible employee, spouse, domestic partner or dependent children.

D. ENROLLMENT

- D.1** Contractor agrees to a sixty (60) calendar day eligibility period for enrollment resulting from qualifying events as established by the County.

- D.2 The County shall compile and furnish to Contractor a bi-weekly eligibility file of all primary subscribers and, if applicable all eligible spouses, domestic partners and dependent children. Contractor shall be obligated to provide benefits only to primary subscriber and the primary subscriber's eligible spouse, domestic partner and their dependent children who are enrolled and are reported on the bi-weekly file submitted by the County and for whom the appropriate premiums are paid pursuant to Attachment B - Group Health Service Contract for the period in which covered medical services are provided.
- D.3 Contractor shall report discrepancies in eligibility information to the County on a bi-weekly basis. The County will review and reconcile any discrepancies within thirty (30) calendar days of notification.

E. GENERAL CONTRACT REQUIREMENTS

E.1 Recitals

The recitals set forth above are true and correct and incorporated herein by this reference.

E.2 Contract Amendments

Contractor agrees any alterations, variations, modifications, or waivers of the provisions of the Contract, shall be valid only when reduced to writing, executed and attached to the original Contract and approved by the person(s) authorized to do so on behalf of Contractor and County.

E.3 Contract Assignability

Without the prior written consent of the County, the Contract is not assignable by Contractor either in whole or in part.

E.4 Contract Exclusivity

This is not an exclusive Contract. The County reserves the right to enter into a contract with other contractors for the same or similar services. The County does not guarantee or represent that the Contractor will be permitted to perform any minimum amount of work, or receive compensation, under the terms of this Contract.

E.5 Attorney's Fees and Costs

If any legal action is instituted to enforce any party's rights hereunder, each party shall bear its own costs and attorney's fees, regardless of who is the prevailing party. This paragraph shall not apply to those costs and attorney's fees directly arising from a third-party legal action against a party hereto and payable under Indemnification and Insurance Requirements.

E.6 Background Checks for Contractor Personnel

Contractor shall ensure that its personnel (a) are authorized to work in the jurisdiction in which they are assigned to perform Services; (b) do not use legal or illegal substances in any manner which will impact their ability to provide Services to the County; and (c) are not otherwise disqualified from performing the Services under applicable law. If requested by the County and not in violation of applicable law, Contractor shall conduct a background check, at Contractor's sole expense, on all its personnel providing Services. If requested by the County, Contractor shall provide the results of the background check of each individual to the County. Such background check shall be in the form generally used by Contractor in its initial hiring of employees or contracting for contractors or, as applicable, during the employment-screening process but must, at a minimum, have been performed within the preceding 12-month period. Contractor personnel who do not meet the County's hiring criteria, in County's sole discretion, shall not be assigned to work on County property or Services, and County shall have the right, at its sole option, to refuse access to any Contract personnel to any County facility.

E.7 Change of Address

Contractor shall notify the County in writing, of any change in mailing address within ten (10) business days of the change.

E.8 Choice of Law

This Contract shall be governed by and construed according to the laws of the State of California.

E.9 Compliance with County Policy

In performing the Services and while at any County facilities, Contractor personnel (including subcontractors) shall to the extent applicable to the provision of services under the contract (a) conduct themselves in a businesslike manner; (b) comply with the policies, procedures, and rules of the County regarding health and safety, and personal, professional and ethical conduct; (c) comply with the finance, accounting, banking, Internet, security, and/or other applicable standards, policies, practices, processes, procedures, and controls of the County; and (d) abide by all laws applicable to the County facilities and the provision of the Services, and all amendments and modifications to each of the documents listed in subsections (b), (c), and (d) (collectively, "County Policies") to the extent the County communicates such County Policies to Contractor. County Policies, and additions or modifications thereto, may be communicated orally or in writing to Contractor or Contractor personnel or may be made available to Contractor or Contractor personnel by conspicuous posting at a County facility, electronic posting, or other means generally used by County to disseminate such information to its employees or contractors. Contractor shall be responsible for the promulgation and distribution of County Policies to Contractor personnel to the extent necessary and appropriate.

County shall have the right to require Contractor's employees, agents, representatives and subcontractors to exhibit identification credentials issued by County in order to exercise any right of access to County facilities under this Contract.

E.10 Confidentiality

Pursuant to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Health Information Technology for Economic and Clinical Health (HITECH) Act, regulations have been promulgated governing the privacy of individually identifiable health information. Contractor acknowledges that it is a covered entity and subject to the requirements of HIPAA and HITECH, and their implementing regulations with respect to the Services. Contractor agrees to fully comply with the terms of HIPAA and HITECH, and regulations promulgated thereunder, with respect to its provision of the Services and to require any Subcontractors utilized to fulfill Services pursuant to this Contract comply with said provisions as applicable. Contractor further agrees to comply with the requirements of all other applicable federal and state laws that pertain to the protection of health information with respect to its provision of the Services.

E.11 Primary Point of Contact

Contractor will designate an individual to serve as the primary point of contact for the Contract. Contractor or designee must respond to County inquiries within two (2) business days. Contractor shall not change the primary contact without written acknowledgement to the County. Contractor will also designate a back-up point of contact in the event the primary contact is not available.

E.12 County Representative

The Director of Human Resources or his/her designee shall represent the County in all matters pertaining to the services to be rendered under this Contract, including termination and assignment of this Contract, and shall be the final authority in all matters pertaining to the Services/Scope of Work by Contractor. If this contract was initially approved by the San Bernardino County Board of Supervisors, then the Board of Supervisors must approve all amendments to this Contract.

E.13 Damage to County Property

Contractor shall repair, or cause to be repaired, at its own cost, all damages to County vehicles, facilities, buildings or grounds caused by the willful or negligent acts of Contractor or its employees or agents. Such repairs shall be made immediately after Contractor becomes aware of such damage, but in no event later than thirty (30) days after the occurrence.

If the Contractor fails to make timely repairs, the County may make any necessary repairs. The Contractor, as determined by the County, shall repay all costs incurred by the County for such repairs, by cash payment upon demand, or County may deduct such costs from any amounts due to the Contractor from the County, as determined at the County's sole discretion.

E. 14 Debarment and Suspension

Contractor certifies that neither it nor its principals or subcontractors is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency. (See the following United States General Services Administration's System for Award Management website <https://www.sam.gov>). Contractor further certifies that if it or any of its subcontractors are business entities that must be registered with the California Secretary of State, they are registered and in good standing with the Secretary of State.

E.15 Drug and Alcohol Free Workplace

In recognition of individual rights to work in a safe, healthful and productive work place, as a material condition of this Contract, the Contractor agrees that the Contractor and the Contractor's employees, while performing service for the County, on County property, or while using County equipment:

- E.15.1** Shall not be in any way impaired because of being under the influence of alcohol or an illegal or controlled substance.
- E.15.2** Shall not possess an open container of alcohol or consume alcohol or possess or be under the influence of an illegal or controlled substance.
- E.15.3** Shall not sell, offer, or provide alcohol or an illegal or controlled substance to another person, except where Contractor or Contractor's employee who, as part of the performance of normal job duties and responsibilities, prescribes or administers medically prescribed drugs.

The Contractor shall inform all employees that are performing service for the County on County property, or using County equipment, of the County's objective of a safe, healthful and productive work place and the prohibition of drug or alcohol use or impairment from same while performing such service for the County.

The County may terminate for default or breach of this Contract and any other Contract the Contractor has with the County, if the Contractor or Contractor's employees are determined by the County not to be in compliance with above.

E.16 Duration of Terms

This Contract, and all of its terms and conditions, shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, successors, and assigns of the respective parties, provided no such assignment is in violation of the provisions of this Contract.

E.17 Employment Discrimination

During the term of the Contract, Contractor shall not discriminate against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, sexual orientation, age, or military and veteran status. Contractor shall comply with Executive Orders 11246, 11375, 11625, 12138, 12432, 12250, 13672, Title VI and Title VII of the Civil Rights Act of 1964, the California Fair Employment and Housing Act and other applicable Federal, State and County laws and regulations and policies relating to equal employment and contracting opportunities, including laws and regulations hereafter enacted.

E.18 Reserved.

E.19 Improper Influence

Contractor shall make all reasonable efforts to ensure that no County officer or employee, whose position in the County enables him/her to influence any award of the Contract or any competing offer, shall have any direct or indirect financial interest resulting from the award of the Contract or shall have any relationship to the Contractor or officer or employee of the Contractor.

E.20 Improper Consideration

Contractor shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to cash, discounts, service, the provision of travel or entertainment, or any items of value to any officer, employee or agent of the County in an attempt to secure favorable treatment regarding this Contract.

The County, by written notice, may immediately terminate this Contract if it determines that any improper consideration as described in the preceding paragraph was offered to any officer, employee or agent of the County with respect to the proposal and award process. This prohibition shall apply to any amendment, extension or evaluation process once a contract has been awarded.

Contractor shall immediately report any attempt by a County officer, employee or agent to solicit (either directly or through an intermediary) improper consideration from Contractor. The report shall be made to the supervisor or manager charged with supervision of the employee or the County Administrative Office. In the event of a termination under this provision, the County is entitled to pursue any available legal remedies.

E.21 Informal Dispute Resolution

In the event the County determines that service is unsatisfactory, or in the event of any other dispute, claim, question or disagreement arising from or relating to this Contract or breach thereof, the parties hereto shall use their best efforts to settle the dispute, claim, question or disagreement. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both parties.

E.22 Legality and Severability

The parties' actions under the Contract shall comply with all applicable laws, rules, regulations, court orders and governmental agency orders. The provisions of this Contract are specifically made severable. If a provision of the Contract is terminated or held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall remain in full effect.

E.23 Licenses, Permits and/or Certifications

Contractor shall ensure that it has all necessary licenses, permits and/or certifications required by the laws of Federal, State, County, and municipal laws, ordinances, rules and regulations. The Contractor shall maintain these licenses, permits and/or certifications in effect for the duration of this Contract. Contractor will notify County immediately of loss or suspension of any such licenses, permits and/or certifications. Failure to maintain a required license, permit and/or certification may result in immediate termination of this Contract.

E.24 Material Misstatement/Misrepresentation

If during the course of the administration of this Contract, the County determines that Contractor has made a material misstatement or misrepresentation or that materially inaccurate information has been provided to the County, this Contract may be immediately terminated. If this Contract is terminated according to this provision, the County is entitled to pursue any available legal remedies.

E.25 Mutual Covenants

The parties to this Contract mutually covenant to perform all of their obligations hereunder, to exercise all discretion and rights granted hereunder, and to give all consents in a reasonable manner consistent with the standards of “good faith” and “fair dealing”.

E.26 Nondisclosure

Contractor shall hold as confidential and use reasonable care to prevent unauthorized access by, storage, disclosure, publication, dissemination to and/or use by third parties of, confidential information that is either: (1) provided by the County to Contractor or an agent of Contractor or otherwise made available to Contractor or Contractor’s agent in connection with this Contract; or, (2) acquired, obtained, or learned by Contractor or an agent of Contractor in the performance of this Contract. For purposes of this provision, confidential information means any data, files, software, information or materials in oral, electronic, tangible or intangible form and however stored, compiled or memorialize and includes, but is not limited to, technology infrastructure, architecture, financial data, trade secrets, equipment specifications, user lists, passwords, research data, and technology data.

E.27 Notice of Delays

Except as otherwise provided herein, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this contract, that party shall, within twenty-four (24) hours, give notice thereof, including all relevant information with respect thereto, to the other party.

E.28 Ownership of Documents

All documents, data, products, graphics, computer programs and reports prepared by Contractor pursuant to the Contract shall be considered property of the County upon payment for services (and products, if applicable). All such items shall be delivered to County at the completion of work under the Contract, subject to the requirements of Section F–Term of the Contract. Unless otherwise directed by County, Contractor may retain copies of such items.

E.29 Reserved.

E.30 Air, Water Pollution Control, Safety and Health

Contractor shall comply with any applicable air pollution control, water pollution, safety and health ordinances and statutes, to the extent that any such requirements apply to the services performed pursuant to this Contract.

E.31 Records

Contractor shall maintain all records and books pertaining to the delivery of services under this Contract and demonstrate accountability for contract performance. All records shall be complete and current and comply with all Contract requirements. Failure to maintain acceptable records shall be considered grounds for withholding of payments for invoices submitted and/or termination of the Contract.

All records relating to the Contractor’s personnel, consultants, subcontractors, Services/Scope of Work and expenses pertaining to this Contract shall be kept in a generally acceptable accounting format. Records should include primary source documents. Fiscal records shall be kept in accordance with Generally Accepted Accounting Principles and must account for all funds, tangible assets, revenue and expenditures. Fiscal records must comply with the appropriate Office of Management and Budget (OMB) Circulars, which state the administrative requirements, cost principles and other standards for accountancy.

E.32 Relationship of the Parties

Nothing contained in this Contract shall be construed as creating a joint venture, partnership, or employment arrangement between the Parties hereto, nor shall either Party have the right, power or authority to create an obligation or duty, expressed or implied, on behalf of the other Party hereto.

E.33 Release of Information

No news releases, advertisements, public announcements or photographs arising out of the Contract or Contractor's relationship with County may be made or used without prior written approval of the County.

E.34 Representation of the County

In the performance of this Contract, Contractor, its agents and employees, shall act in an independent capacity and not as officers, employees, or agents of the San Bernardino County.

E.35 Strict Performance

Failure by a party to insist upon the strict performance of any of the provisions of this Contract by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Contract thereafter.

E.36 Subcontracting

Contractor may use subcontractors to supply parts of the Services to the County. At County's request, Contractor shall provide information regarding the subcontractor's qualifications and a listing of a subcontractor's key personnel including, if requested by the County, resumes of key proposed subcontractor personnel. Contractor shall remain directly responsible to County for its subcontractors and shall indemnify County for the actions or omissions of its subcontractors under the terms and conditions specified in Section I.

For any subcontractor, Contractor shall:

- 36.1.** Be responsible for subcontractor compliance with the Contractor's form Agreement set forth in Exhibit A.

Upon expiration or termination of this Contract for any reason, County will have the right to enter into direct Contracts with any of the Subcontractors. Contractor agrees that its arrangements with Subcontractors will not prohibit or restrict such Subcontractors from entering into direct Contracts with County upon expiration or termination of the Contract.

E. 37 Subpoena

In the event that a subpoena or other legal process commenced by a third party requests copies of documents related to the Services provided under this Contract is served upon Contractor or County, such party agrees to promptly notify the other party following receipt of such subpoena or other legal process. Contractor and County further agree to make reasonable efforts to cooperate with the other party in any lawful effort by such other party to contest the legal validity of such subpoena or other legal process commenced by a third party as may be reasonably required and at the expense of the party to whom the legal process is directed, except as otherwise provided herein in connection with defense obligations by Contractor for County.

E.38 Termination for Convenience

The County reserves the right to terminate the Contract, for any reason, with a ninety (90) day written notice of termination. Such termination may include all or part of the services described herein. Upon such termination, payment will be made to the Contractor for services rendered and expenses reasonably incurred prior to the effective date of termination. Upon receipt of termination notice Contractor shall promptly discontinue services unless the notice directs otherwise. Contractor shall deliver promptly to County and transfer title (if necessary) all

completed work, and work in progress, including drafts, documents, plans, forms, data, products, graphics, computer programs and reports.

E.39 Time of the Essence

Time is of the essence in performance of this Contract and of each of its provisions.

E.40 Venue

The parties acknowledge and agree that this Contract was entered into and intended to be performed in San Bernardino County, California. The parties agree that the venue of any action or claim brought by any party to this Contract will be the Superior Court of California, San Bernardino County, San Bernardino District. Each party hereby waives any law or rule of the court, which would allow them to request or demand a change of venue. If any action or claim concerning this Contract is brought by any third party and filed in another venue, the parties hereto agree to use their best efforts to obtain a change of venue to the Superior Court of California, San Bernardino County, San Bernardino District.

E.41 Conflict of Interest

Contractor shall make all reasonable efforts to ensure that no conflict of interest exists between its officers, employees, or subcontractors and the County. Contractor shall make a reasonable effort to prevent employees, Contractor, or members of governing bodies from using their positions for purposes that are, or give the appearance of being motivated by a desire for private gain for themselves or others such as those with whom they have family business, or other ties. Officers, employees, and agents of cities, counties, districts, and other local agencies are subject to applicable conflict of interest codes and state law. In the event the County determines a conflict of interest situation exists, any increase in costs, associated with the conflict of interest situation, may be disallowed by the County and such conflict may constitute grounds for termination of the Contract. This provision shall not be construed to prohibit employment of persons with whom Contractor's officers, employees, or agents have family, business, or other ties so long as the employment of such persons does not result in increased costs over those associated with the employment of any other equally qualified applicant.

E.42. Former County Administrative Officials

Contractor agrees to provide, or has already provided information on former San Bernardino County administrative officials (as defined below) who are employed by or represent Contractor. The information provided includes a list of former County administrative officials who terminated County employment within the last five years and who are now officers, principals, partners, associates or members of the business. The information also includes the employment with or representation of Contractor. For purposes of this provision, "County administrative official" is defined as a member of the Board of Supervisors or such officer's staff, County Executive Officer or member of such officer's staff, County department or group head, assistant department or group head, or any employee in the Exempt Group, Management Unit or Safety Management Unit.

E.43 Disclosure of Criminal and Civil Procedures

The County reserves the right to request the information described herein from the Contractor. Failure to provide the information may result in a termination of the Contract. The County also reserves the right to obtain the requested information by way of a background check performed by an investigative firm. The Contractor also may be requested to provide information to clarify initial responses. Negative information discovered may result in Contract termination.

Contractor is required to disclose whether the firm, or any of its partners, principals, members, associates or key employees (as that term is defined herein), within the last ten years, has been indicted on or had charges brought against it or them (if still pending) or convicted of any crime or offense arising directly or indirectly from the conduct of the firm's business, or whether the firm, or any of its partners, principals, members, associates or key employees, has within the last ten years, been indicted on or had charges brought against it or them (if still pending) or convicted of

any crime or offense involving financial misconduct or fraud. If the response is affirmative, the Contractor will be asked to describe any such indictments or charges (and the status thereof), convictions and the surrounding circumstances in detail.

In addition, the Contractor is required to disclose whether the firm, or any of its partners, principals, members, associates or key employees, within the last ten years, has been the subject of legal proceedings as defined herein arising directly from the provision of services by the firm or those individuals. "Legal proceedings" means any civil actions filed in a court of competent jurisdiction, or any matters filed by an administrative or regulatory body with jurisdiction over the firm or the individuals. If the response is affirmative, the Contractor will be asked to describe any such legal proceedings (and the status and disposition thereof) and the surrounding circumstances in detail.

For purposes of this provision "key employees" includes any individuals providing direct service to the County. "Key employees" do not include clerical personnel providing service at the firm's offices or locations.

E.44 Copyright

County shall have a royalty-free, non-exclusive and irrevocable license to publish, disclose, copy, translate, and otherwise use, copyright or patent, now and hereafter, all reports, studies, information, data, statistics, forms, designs, plans, procedures, systems, and any other materials or properties developed under this Contract including those covered by copyright, and reserves the right to authorize others to use or reproduce such material. All such materials developed under the terms of this Contract shall acknowledge the San Bernardino County as the funding agency and Contractor as the creator of the publication. No such materials, or properties produced in whole or in part under this Contract shall be subject to private use, copyright or patent right by Contractor in the United States or in any other country without the express written consent of County. Copies of all educational and training materials, curricula, audio/visual aids, printer material, and periodicals, assembled pursuant to this Contract must be filed with the County prior to publication.

E.45 Reserved.

E.46 Iran Contracting Act

IRAN CONTRACTING ACT OF 2010, Public Contract Code sections 2200 et seq. (Applicable for all Contracts of one million dollars (\$1,000,000) or more). In accordance with Public Contract Code section 2204(a), the Contractor certifies that at the time the Contract is signed, the Contractor signing the Contract is not identified on a list created pursuant to subdivision (b) of Public Contract Code section 2203 as a person (as defined in Public Contract Code section 2202(e)) engaging in investment activities in Iran described in subdivision (a) of Public Contract Code section 2202.5, or as a person described in subdivision (b) of Public Contract Code section 2202.5, as applicable.

Contractors are cautioned that making a false certification may subject the Contractor to civil penalties, termination of existing contract, and ineligibility to bid on a contract for a period of three (3) years in accordance with Public Contract Code section 2205.

E.47 Reserved.

E.48 Reserved.

E.49 Reserved.

E.50 Campaign Contribution Disclosure (SB 1439)

Contractor has disclosed to the County using a County approved form, whether it has made any campaign contributions of more than \$250 to any member of the Board of Supervisors or other County elected officer [Sheriff, Assessor-Recorder-Clerk, Auditor-Controller/Treasurer/Tax Collector and the District Attorney] within the earlier of: (1) the date of the submission of

Contractor's proposal to the County, or (2) 12 months before the date this Contract was approved by the Board of Supervisors. Contractor acknowledges that under Government Code section 84308, Contractor is prohibited from making campaign contributions of more than \$250 to any member of the Board of Supervisors or other County elected officer for 12 months after the County's consideration of the Contract.

In the event of a proposed amendment to this Contract, the Contractor will provide the County a written statement disclosing any campaign contribution(s) of more than \$250 to any member of the Board of Supervisors or other County elected officer within the preceding 12 months of the date of the proposed amendment.

Campaign contributions include those made by any agent/person/entity on behalf of the Contractor or by a parent, subsidiary or otherwise related business entity of Contractor.

E.51 Reserved.

E.52 Notification Regarding Performance

In the event of a problem or potential problem that could impact the quality or quantity of work, services, or the level of performance under the Contract, the Contractor shall notify the County within one (1) working day, in writing and by telephone.

E.53 Gratuity

Contractor shall not offer or otherwise distribute any bonus, gratuity, or other payment to subscribers or groups of subscribers for the purpose of inducing enrollment or to existing subscribers or groups of subscribers for the purpose of inducing continuation of enrollment.

F. TERM OF CONTRACT

The Contract period will be for three (3) years beginning on July 27, 2024 and ending on July 31, 2027 with coverage for Active Employees from July 27, 2024 to July 23, 2027 and coverage for COBRA participants from August 1, 2024 to July 31, 2027, plus an option to extend the contracts for one (1) additional two (2) year term at the County's discretion upon satisfactory performance, unless terminated earlier as provided in this section. Notwithstanding that once effective, the Group Health Service Contract will terminate according to their own termination provisions.

F.1. The County may terminate this Contract with cause after written notice of material breach is sent to Contractor and the breach is not cured within fifteen (15) business days of receipt of such notice. For the purpose of the Contract, the term "material breach" shall be defined to mean the failure of Contractor to perform any of its obligations under the Contract.

If the nature of the breach is such that it cannot be cured within a fifteen (15) day period, Contractor may submit a written proposal within that period which sets forth a specific means to resolve the default. If the County consents to that proposal in writing, which consent shall not be unreasonably withheld, the defaulting party shall immediately embark on its plan to cure. If the default is not cured within the time agreement, the non-defaulting party may terminate upon written notice specifying the date of termination.

F.2. The County may cancel this Contract at any time, without cause, by written notice delivered or mailed to Contractor, effective on receipt or on such later date as specified in the notice.

F.3. Upon such termination, payment will be made to Contractor for services rendered and expenses incurred prior to the effective date of termination within sixty (60) working days of the County's receipt of an invoice.

F.4. Upon receipt of termination notice Contractor shall promptly discontinue services unless the notice directs otherwise. Contractor shall deliver promptly to County and transfer title (if necessary) all completed work, and work in progress, including drafts, documents, plans, forms, data, products, graphics, computer programs and reports in a manner usable by the County at no charge. In the event of such termination, the County may proceed with the work in any manner deemed proper by the County

The Director of the Human Resources Department or their designee shall have the right to exercise the County's authority under this Contract including the right to give notice of termination on behalf of the County at his sole discretion.

G. Reserved.

H. FISCAL PROVISIONS

H.1 Payment

a. County will create a biweekly invoice for services provided within this Contract.

b. Blue Shield agrees to a 60-day grace period before County payments are considered delinquent and a subsequent 30 day Notice of Intent to Terminate contract once the 60 day grace period has been exhausted. No interest or late payment penalties will apply during this grace period, however, if payment is not received by the end of the grace period, group health plan benefits will be at risk of cancellation.

c. Blue Shield agrees that no prepayment of claims, premiums or fees will be required at any time.

d. Blue Shield agrees to accept a biweekly premium remittance structure.

e. Blue Shield agrees to accept a monthly premium remittance structure for COBRA enrollees.

H.2 Contractor shall accept all payments from County via electronic funds transfer (EFT) directly deposited into the Contractor's designated checking or other bank account. Contractor shall promptly comply with directions and accurately complete forms provided by County required to process EFT payments.

H.3 The Employer shall remit to Blue Shield the amount specified in Part H.1. ("the base Dues"). If a State or any other taxing authority imposes upon Blue Shield a tax or license fee which is levied upon or measured by the base Dues or by the gross receipts of Blue Shield or any portion of either, then Blue Shield may, with the County's written consent as specified in Section E.2, amend the Contract to increase the base Dues by an amount sufficient to cover all such taxes or license fees rounded to the nearest cent. This amendment shall be effective as of the date stated in the notice which shall not be earlier than the date of the imposition of such tax or license fee, by mailing a postage prepaid notice of the amendment to the Employer at its address of record with Blue Shield at least 60 days before the effective date of the amendment.

I. INDEMNIFICATION AND INSURANCE REQUIREMENTS

I.1 Indemnification

The Contractor agrees to indemnify, defend and hold harmless the County and its authorized officers and employees from any and all claims, actions, losses, damages and/or liability, including reasonable attorneys' fees, arising out of the performance of the work described herein, in proportion to and to the extent caused in whole or in part by any negligent act, omission or the willful misconduct of Contractor or its employees with respect to its performance or nonperformance of Contractor's obligations under this Contract.

I.2 Additional Insured

All policies, except for Worker's Compensation, Errors and Omissions, Cyber and Professional Liability policies shall contain additional endorsements naming the County and its officers, employees, agents and volunteers as additional named insured with respect to liabilities arising out of the performance of services hereunder. The additional insured endorsements shall not limit the scope of coverage for the County to vicarious liability but shall allow coverage for the County to the full extent provided by the policy. Such additional insured coverage shall be at least as broad as Additional Insured (Form B) endorsement form ISO, CG 2010.11 85.

I.3 Waiver of Subrogation Rights

The Contractor shall require the carriers of required coverages to waive all rights of subrogation against the County, its officers, employees, agents, volunteers, contractors and subcontractors. All general or auto liability insurance coverage provided shall not prohibit the Contractor and Contractor's employees or agents from waiving the right of subrogation prior to a loss or claim. The Contractor hereby waives all rights of subrogation against the County, except Cyber coverage which shall be requested and approved on a case by case basis.

I.4 Policies Primary and Non-Contributory

All policies required herein, except Cyber, are to be primary and non-contributory with any insurance or self-insurance programs carried or administered by the County.

I.5 Severability of Interests

Except for Cyber policies, the Contractor agrees to ensure that coverage provided to meet these requirements is applicable separately to each insured and there will be no cross liability exclusions that preclude coverage for suits between the Contractor and the County or between the County and any other insured or additional insured under the policy.

I.6 Proof of Coverage

The Contractor shall furnish Certificates of Insurance to the County Department administering the Contract evidencing the insurance coverage at the time the Contract is executed, additional endorsements, as required shall be provided prior to the commencement of performance of services hereunder, which certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice to the Department, and Contractor shall maintain such insurance from the time Contractor commences performance of services hereunder until the completion of such services. Within fifteen (15) days of the commencement of this contract, the Contractor shall furnish a copy of the Declaration page for all applicable policies and will provide complete certified copies of the policies and endorsements immediately upon request.

I.7 Acceptability of Insurance Carrier

Unless otherwise approved by Risk Management, insurance shall be written by insurers authorized to do business in the State of California and with a minimum "Best" Insurance Guide rating of "A- VII".

I.8 Deductibles and Self-Insured Retention

Any and all deductibles or self-insured retentions in excess of \$10,000 shall be declared to and approved by Risk Management.

I.9 Failure to Procure Coverage

In the event that any policy of insurance required under this contract does not comply with the requirements, is not procured, or is canceled and not replaced, the County has the right but not the obligation or duty to cancel the contract or obtain insurance if it deems necessary and any premiums paid by the County will be promptly reimbursed by the Contractor or County payments to the Contractor will be reduced to pay for County purchased insurance.

I.10 Insurance Review

Insurance requirements are subject to periodic review by the County. The Director of Risk Management or designee is authorized, but not required, to reduce, waive or suspend any insurance requirements whenever Risk Management determines that any of the required insurance is not available, is unreasonably priced, or is not needed to protect the interests of the County. In addition, if the Department of Risk Management determines that heretofore unreasonably priced or unavailable types of insurance coverage or coverage limits become reasonably priced or available, the Director of Risk Management or designee is authorized, but not required, to change the above insurance requirements to require additional types of insurance coverage or higher coverage limits, provided that any such change is reasonable in light of past claims against the County, inflation, or any other item reasonably related to the County's risk.

Any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this contract. Contractor agrees to execute any such amendment within thirty (30) days of receipt.

Any failure, actual or alleged, on the part of the County to monitor or enforce compliance with any of the insurance and indemnification requirements will not be deemed as a waiver of any rights on the part of the County.

- I.11** The Contractor agrees to provide insurance set forth in accordance with the requirements herein. If the Contractor uses existing coverage to comply with these requirements and that coverage does not meet the specified requirements, the Contractor agrees to amend, supplement or endorse the existing coverage to do so.

Without in anyway affecting the indemnity herein provided and in addition thereto, the Contractor shall secure and maintain throughout the contract term the following types of insurance with limits as shown:

- I.11.1** Workers' Compensation/Employer's Liability – A program of Workers' Compensation insurance or a state-approved, self-insurance program in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with \$250,000 limits covering all persons including volunteers providing services on behalf of the Contractor and all risks to such persons under this contract.

If Contractor has no employees, it may certify or warrant to the County that it does not currently have any employees or individuals who are defined as "employees" under the Labor Code and the requirement for Workers' Compensation coverage will be waived by the County's Director of Risk Management.

With respect to Contractors that are non-profit corporations organized under California or Federal law, volunteers for such entities are required to be covered by Workers' Compensation insurance.

- I.11.2** Commercial/General Liability Insurance – The Contractor shall carry General Liability Insurance covering all operations performed by or on behalf of the Contractor providing coverage for bodily injury and property damage with a combined single limit of not less than one million dollars (\$1,000,000), per occurrence. The policy coverage shall include:
- a. Premises operations and mobile equipment.
 - b. Products and completed operations.
 - c. Broad form property damage (including completed operations).
 - d. Explosion, collapse and underground hazards.
 - e. Personal injury.
 - f. Contractual liability.

g. \$2,000,000 general aggregate limit.

I.11.3 Automobile Liability Insurance – Primary insurance coverage shall be written on ISO Business Auto coverage form for all owned, hired and non-owned automobiles or symbol 1 (any auto). The policy shall have a combined single limit of not less than one million dollars (\$1,000,000) for bodily injury and property damage, per occurrence.

If the Contractor is transporting one or more non-employee passengers in performance of contract services, the automobile liability policy shall have a combined single limit of two million dollars (\$2,000,000) for bodily injury and property damage per occurrence.

If the Contractor owns no autos, a non-owned auto endorsement to the General Liability policy described above is acceptable.

I.11.4 Umbrella Liability Insurance – An umbrella (over primary) or excess policy may be used to comply with limits or other primary coverage requirements. When used, the umbrella policy shall apply to bodily injury/property damage, personal injury/advertising injury and shall include a “dropdown” provision providing primary coverage for any liability not covered by the primary policy. The coverage shall also apply to automobile liability.

I.11.5 Professional Liability – Professional Liability Insurance with limits of not less than one million (\$1,000,000) per claim and two million (\$2,000,000) aggregate limits

or

Errors and Omissions Liability Insurance – Errors and Omissions Liability Insurance with limits of not less than one million (\$1,000,000) and two million (\$2,000,000) aggregate limits

or

Directors and Officers Insurance coverage with limits of not less than one million (\$1,000,000) shall be required for Contracts with charter labor committees or other not-for-profit organizations advising or acting on behalf of the County.

If insurance coverage is provided on a “claims made” policy, the “retroactive date” shall be shown and must be before the date of the state of the contract work. The claims made insurance shall be maintained or “tail” coverage provided for a minimum of five (5) years after contract completion.

I.11.6 **Cyber Liability Insurance** - Cyber Liability Insurance with limits of no less than \$1,000,000 for each claim with an annual aggregate of \$2,000,000 covering privacy violations, information theft, damage to or destruction of electronic information, intentional and/or unintentional release of private information, alteration of electronic information, extortion and network security. The policy shall cover breach response cost as well as regulatory fines and penalties.

J. RIGHT TO MONITOR AND AUDIT

J.1 The County, State and Federal government shall have absolute right to review and audit all records, books, papers, documents, corporate minutes, and other pertinent items as requested, and shall have absolute right to monitor the performance of Contractor in the delivery of services provided under this Contract. Contractor shall give full cooperation, in any auditing or monitoring

conducted. Contractor shall cooperate with the County in the implementation, monitoring, and evaluation of this Contract and comply with any and all reporting requirements established by the County. Contractor shall repay to County within thirty (30) days of receipt of audit findings any payments made by County to Contractor that are determined by subsequent audit to be unallowable pursuant to the terms of this Contract or by law

J.2 All records pertaining to services delivered and all fiscal, statistical and management books and records shall be available for examination and audit by County representatives for a period of three years after final payment under this Contract or until all pending County, State and Federal audits are completed, whichever is later.

K. CORRECTION OF PERFORMANCE DEFICIENCIES

K.1 Failure by Contractor to comply with any of the provisions, covenants, requirements or conditions of this Contract shall be a material breach of this Contract.

K.2 In the event of a non-cured breach, County may, at its sole discretion and in addition to any other remedies available at law, in equity, or otherwise specified in this Contract:

- a. Afford Contractor thereafter a time period within which to cure the breach, which period shall be established at the sole discretion of County; and/or
- b. Withhold funds pending duration of the breach; and/or
- c. Offset against any monies billed by Contractor but yet unpaid by County. In the event of such termination of contract, the County may proceed with the work in any manner deemed proper by the County. The cost to the County shall be deducted from any sum due to the Contractor under this Contract and the balance, if any, shall be paid by the Contractor upon demand.

L. NOTICES

All written notices provided for in this Contract or which either party desires to give to the other shall be deemed fully given, when made in writing and either served personally, or by facsimile, or deposited in the United States mail, postage prepaid, and addressed to the other party as follows:

*San Bernardino County
Human Resources Department
Employee Benefits and Services Division
157 W. Fifth Street, First Floor
San Bernardino, CA 92415-0440
(909) 387-5570; Facsimile (909) 387-5566*

*Blue Shield of California
604 12th Street
Oakland, CA 95607
(510) 607-2000
Facsimile (510) 607-2056*

Notice shall be deemed communicated two (2) County working days from the time of mailing if mailed as provided in this paragraph.

M. ENTIRE AGREEMENT

This Contract, including all Exhibits and other attachments, which are attached hereto and incorporated by reference, and other documents incorporated herein, represents the final, complete and exclusive agreement between the parties hereto. Any prior agreement, promises, negotiations or representations relating to the subject matter of this Contract not expressly set forth herein are of no force or effect. This Contract is executed without reliance upon any promise, warranty or representation by any party or any representative of any party other than those expressly contained herein. Each party has carefully read this Contract and signs the same of its own free will.

Attached hereto and incorporated herein are the following contracts:

Attachment A – Blue Shield Performance Guarantees

Attachment B – Group Health Service Contract

Attachment C – Access+ HMO Evidence of Coverage

Attachment D – Signature HMO Evidence of Coverage

Attachment E – PPO Evidence of Coverage

Attachment F – PPO Needles Evidence of Coverage

Attachment G – Virtual Blue PPO Needles Evidence of Coverage

Attachment H – Bronze Plan PPO Evidence of Coverage

Attachment I – Trio HMO Evidence of Coverage

Attachment J – Blue Shield Commitments to the County

Attachment K – Blue Shield Certificates of Liability

Exhibit A – Supplier Agreement Template

In the event that the provisions of these attachments conflict with the provisions of this contract, the provisions of this contract shall prevail.

This Contract, including all Exhibits and other attachments, which are attached hereto and incorporated by reference, and other documents incorporated herein, represents the final, complete and exclusive agreement between the parties hereto. Any prior agreement, promises, negotiations or representations relating to the subject matter of this Contract not expressly set forth herein are of no force or effect. This Contract is executed without reliance upon any promise, warranty or representation by any party or any representative of any party other than those expressly contained herein. Each party has carefully read this Contract and signs the same of its own free will.

N. ELECTRONIC SIGNATURES

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same Agreement. The parties shall be entitled to sign and transmit an electronic signature of this Agreement (whether by facsimile, PDF or other mail transmission), which signature shall be binding on the party whose name is contained therein. Each party providing an electronic signature agrees to promptly execute and deliver to the other party an original signed Agreement upon request.

IN WITNESS WHEREOF, the San Bernardino County and the Contractor have each caused this Contract to be subscribed by its respective duly authorized officers, on its behalf.

SAN BERNARDINO COUNTY

►

Dawn Rowe, Chair, Board of Supervisors

Dated: _____
SIGNED AND CERTIFIED THAT A COPY OF THIS
DOCUMENT HAS BEEN DELIVERED TO THE
CHAIRMAN OF THE BOARD

Lynna Monell
Clerk of the Board of Supervisors
of the San Bernardino County

B
y _____
Deputy

Blue Shield of California

(Print or type name of corporation, company, contractor, etc.)

B
y ► _____
(Authorized signature - sign in blue ink)

Ken Lautsch
Name _____
(Print or type name of person signing contract)

Title VP and General Manager Premier Accounts

(Print or Type)

Dated: _____
601 12th Street

Address _____
Oakland, CA 94607

FOR COUNTY USE ONLY

Approved as to Legal Form
►

Jose Mendoza, County Counsel
Date _____

Reviewed for Contract Compliance
►

Gina King, Assistant Director, Human
Resources
Date _____

Reviewed/Approved by Department
►

Michael Bowers, Director, Human
Resources
Date _____