

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**ITEM: 3.33
(ID # 22528)**

MEETING DATE:
Tuesday, December 12, 2023

FROM : HUMAN RESOURCES:

SUBJECT: HUMAN RESOURCES: Ratify and Approve the Amendment No. 1 to the Professional Services Agreement for Short-Term Disability Claims Administration with Sedgwick Claims Management Services. [Total Cost \$54,305 - Human Resources Internal Service Rate]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify and Approve the Amendment No. 1 to the Professional Services Agreement for Claims Administration with Sedgwick Claims Management Services, Inc., Effective June 1, 2022;
2. Authorize the Chairperson to sign three (3) copies of each agreement on behalf of the County and;
3. Direct the Clerk of the Board to retain one (1) copy of the agreement and return two (2) copies of the agreement to Human Resources for distribution.

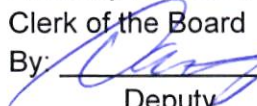
ACTION:Policy


Michael Bowers, HR Director 11/9/2023

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Gutierrez, seconded by Supervisor Perez and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez
Nays: None
Absent: None
Date: December 12, 2023
xc: HR

Kimberly A. Rector
Clerk of the Board
By: 
Deputy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 54,305	\$ 0	\$ 0	\$ 54,305
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS:			Budget Adjustment:	No
			For Fiscal Year:	22/23

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On June 23, 2020 (Item 3.18) the Board approved the Professional Services Agreement with Sedgwick Claims Management Services, Inc. for Short Term Disability Claims Administration Services.

The County's Short-Term Disability (STD) program provides income replacement for eligible members who are approved for a non-industrial medical disability. Currently, around 498 members the Riverside Sheriffs' Association Public Safety Unit (PSU) are eligible for this program. Previously, the County provided STD benefits to eligible members of the Laborer's International Union of North America (LIUNA), and Local 777, members of Services Employees International Union (SEIU), Local 721, except the SEIU Supervisory Unit.

On January 28, 2020 (Item 3.54), the County and SEIU signed a Tentative Agreement (TA), containing a provision to provide short-term disability benefits for all employees covered by SEIU exclusively through the State of California Disability Insurance (SDI) program. On October 27, 2020 (Item No. 3.10), the Board approved the Tentative Agreement between the County of Riverside and LIUNA containing a provision to provide short-term disability benefits for all employees covered by LIUNA exclusively through the State of California Disability Insurance (SDI) program. As of April 1, 2021, SEIU and LIUNA employees are eligible for SDI benefits through the State.

These agreements obligated the County to continue providing STD benefits until it obtained State approval to participate in the SDI program and executed the transition. The State of California Economic Development Department (EDD) granted approval for participation in the SDI program on March 22, 2021, with the transition taking effect on April 1, 2021.

Some members of SEIU and LIUNA bargaining groups hired before April 1, 2021, experienced a gap in benefits when their disability benefits were limited by California Unemployment Insurance Code, Section 2653 which limits the total amount of benefits payable to SDI to the total wages paid to the individual during his/her disability base period (wages subject to SDI tax). To address this, the County provided the previous STD benefit for members of LIUNA and

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SEIU who experience an SDI disability claim benefit gap when their taxable wages in the disability base period are insufficient to cover a full 52 week claim benefit.

This Amendment No. 1 to the Professional Services Agreement for Short Term Disability Claims Administration Services with Sedgwick Claims Management Services, Inc., is amended to address the payment of these claims as follows:

Effective June 1, 2022, Exhibit C (Service Fees) is hereby amended to add the following section:

- V. Claims where EDD has terminated SDI Benefits
County shall pay a fee of \$500 per claim processed for Administration of LIUNA and SEIU employees' STD Claim where EDD has terminated SDI benefits prior to the 52-week maximum due to EDD credits.

Impact on Residents and Businesses

There is no direct impact to residents or businesses.

Supplemental Information

There were a total of six employee claims for this SDI disability benefit gap. Total disability benefit claim costs including processing fees is \$56,305. This cost was covered by the STD plan assets.

Contract History and Price Reasonableness

Since July 2007, Sedgwick and the County of Riverside have maintained a strategic and positive business relationship to provide STD benefits to eligible County employees. The collaboration ensures continued quality service and efficient processes, while controlling overall costs for the County.

ATTACHMENTS:

- ATTACHMENT A. Amendment No.1 to the Professional Services Agreement with Sedgwick Claims Management Services, Inc.**

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STATE OF CALIFORNIA

Gregg Gu
Gregg Gu, Chief Deputy County Counsel 11/27/2023

COUNTY OF RIVERSIDE
AMENDMENT NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT
WITH
SEDGWICK CLAIMS MANAGEMENT SERVICES, INC.

Original Contract Term:	July 1, 2020 through June 30, 2025
Contract Term Extended To:	Not applicable
Effective Date of Amendment:	June 1, 2022
Original Annual Maximum Contract Amount:	\$500,000
Amended Annual Maximum Contract Amount:	Not applicable
Original Contract ID:	Not applicable
Amended Contract ID:	HRARC-95861-001-06/25

This Amendment No. 1 to the Professional Services Agreement for Short Term Disability Claims Administration Services is entered into by and between the County of Riverside, a political subdivision of the State of California, on behalf of its Human Resources Department (“COUNTY”), and Sedgwick Claims Management Services, Inc., an Illinois corporation (“CONTRACTOR”). COUNTY and CONTRACTOR are collectively referred to herein as the “Parties”, and individually as the “Party”.

RECITALS

WHEREAS, COUNTY and CONTRACTOR entered into that certain Professional Services Agreement for Short Term Disability Claims Administration Services (the “Agreement”) for a contract term of July 1, 2020 through June 30, 2025, unless terminated earlier; and

WHEREAS, the Parties now desire to amend the Agreement to add administration of specific claims and their processing fees as set forth herein.

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

1. The above recitals are true and correct and are incorporated herein by reference.
2. Contract Identification (ID) number (#) HRARC-95861-001-06/25 is hereby added for reference to the Agreement.
3. Exhibit C (Service Fees) is hereby amended to add the following section:

V. Claims where EDD has terminated SDI Benefits

County shall pay a fee of \$500 per claim processed for Administration of LIUNA and SEIU employees’ STD Claim where EDD has terminated SDI benefits prior to the 52 week maximum due to EDD credits.

4. All other terms and conditions of the Agreement not modified herein shall remain unchanged.
5. The “Effective Date” of this Amendment No. 1 shall be June 1, 2022.

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AMENDMENT NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT
WITH
SEDGWICK CLAIMS MANAGEMENT SERVICES, INC.

6. This Amendment No. 1 and the Agreement taken together with all the exhibits contain the entire understanding of the Parties. There are no other oral or written representations, understandings, ancillary covenants, undertakings, or agreements that are not contained or expressly referred to within this Amendment No. 1.
7. The Parties agree to execute such other documents and to take such other actions as may be necessary to further the purpose of this Amendment No. 1 and the Agreement.
8. USE OF ELECTRONIC SIGNATURES: This Amendment may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument. Each party of this Amendment agrees to the use of electronic or digital signatures that meet the requirements of the California Uniform Electronic Transactions Act ((“the Act”) Cal. Civ. Code §§ 1633.1-1633.17), for executing this Amendment. The parties further agree that the electronic or digital signatures of the parties included in this Amendment are intended to authenticate this writing and to have the same force and effect as manual signatures. The Act authorizes use of an electronic signature for transactions and contracts among parties in California, including governmental agencies. For purposes of this section, a digital signature is a type of "electronic signature" as defined in subdivision (i) of Section 1633.2 of the Civil Code.
9. CORPORATE SIGNERS: Pursuant to California Corporations Code Section 313, please provide signature of chairperson of the board, president, or any vice president, and the secretary, any assistant secretary, the chief financial officer, or any assistant treasurer. If providing only one signature, please also provide a resolution or other proof of delegated authority that shows signer can legally bind the corporation.

[SIGNATURES ON FOLLOWING PAGE]

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AMENDMENT NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT
WITH
SEDGWICK CLAIMS MANAGEMENT SERVICES, INC.


IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this Amendment.

COUNTY OF RIVERSIDE, a political subdivision of the State of California

By: 
Chair, **KEVIN JEFFRIES**
Board of Supervisors

Dated: 10/12/2023

SEDGWICK CLAIMS MANAGEMENT SERVICES, INC., an Illinois corporation

By: 
Name, **MICHAEL V. SKOOK**
Title **SENIOR VICE PRESIDENT**

Dated: JUNE 17, 2023


ATTEST:

Kimberly Rector
Clerk of the Board

By: 
Deputy

APPROVED AS TO FORM:

County Counsel, Minh C. Tran

By: 
Katherine Wilkins,
Deputy County Counsel

**UNANIMOUS WRITTEN CONSENT OF THE BOARD OF DIRECTORS
OF SEDGWICK CLAIMS MANAGEMENT SERVICES, INC.**

We, the undersigned, being all of the Board of Directors of Sedgwick Claims Management Services, Inc., an Illinois corporation, (the "Corporation"), hereby waive notice and adopt the following resolutions:

RESOLVED, that from time to time, any of the persons set forth below (the "Designated Person(s)") acting jointly by written instructions, be and they are hereby authorized, empowered and directed to:

- a. sign and execute contracts, agreements, licenses, leases, proposals and binding business letters;
- b. designate individuals in positions as deemed appropriate to execute specific kinds of contracts, agreements, licenses, leases, proposals and binding business letters;

DESIGNATED PERSONS

David A. North, Jr., President and Chief Executive Officer
Henry C. Lyons, Executive Vice President, Chief Financial Officer and Treasurer
Kimberly D. Brown, Executive Vice President, Chief Legal Officer and Secretary
Terri S. Browne, Executive Vice President and Chief People Officer
Robert J. Peterson, Executive Vice President and Chief Marketing Officer
Stephen R. Hurley, Senior Vice President and Assistant Secretary
Michael V. Shook, Senior Vice President
Joey House, Senior Vice President
Allen Poole, Senior Vice President
Doug Foster, Senior Vice President
J. Edward Peel, Vice President

RESOLVED, that the Designated Persons of this Corporation are hereby authorized to take all actions as they may deem necessary or appropriate to effectuate the intent and the purposes of the foregoing resolution

This Unanimous Written Consent may **be** executed in one or more counter parts, all of which together shall be one and the same instrument.

Effective this 1st day of June 2020.

DIRECTORS:

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David A. North
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David A. North, Jr.

DocuSigned by:
Henry C. Lyons
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Henry C. Lyons

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Kimberly D. Brown
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KIMBERLY D. BROWN

DocuSigned by:
Robert J. Peterson
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Robert J. Peterson

DocuSigned by:
Michael Arbour
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Michael Arbour

DocuSigned by:
Terri S. Browne
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TERRI S. BROWNE