



STAFF REPORT

Report To: Board of Supervisors

Meeting Date: August 3, 2017

Staff Contact: Nancy Paulson, Chief Financial Officer

Agenda Title: For Possible Action: To approve the 1st Amendment to the Interlocal Contract for Self Insurance and Risk Management Consulting Services between Carson City, Nevada and Douglas County, Nevada for Carson City to provide consulting services at Douglas County's expense. (Nancy Paulson, npaulson@carson.org)

Staff Summary: This Amendment will allow Carson City to continue to provide consulting services to Douglas County to aid in their transition of becoming self-insured and assist with establishing necessary risk management policies and procedures.

Agenda Action: Formal Action/Motion

Time Requested: 10 Minutes

Proposed Motion

I move to approve the 1st Amendment to the Interlocal Contract for Self Insurance and Risk Management Consulting Services between Carson City, Nevada and Douglas County, Nevada for Carson City to provide consulting services at Douglas County's expense.

Board's Strategic Goal

Efficient Government

Previous Action

Background/Issues & Analysis

The initial Interlocal Contract was entered into on January 4, 2017 for a not to exceed amount of \$10,000. Board approval was not required pursuant NRS 277.180 (2) as the contract did not exceed \$25,000. Douglas County would like to expand the services to be provided by Carson City and extend the term of the contract.

Douglas County has elected to become self-insured on July 1, 2017 and has requested additional assistance from the City during the transition period. The City's current Risk Management Coordinator has extensive knowledge of the process as she managed the City's transition to self-insured status. The Risk Management Coordinator's City job functions will remain the priority and services to Douglas County pursuant to this Interlocal Contract will be scheduled to minimize the effect on the City.

This item was initially presented to the Board of Supervisors on June 15, 2017. Section 3.1 has been added to the proposed Contract to address Board concerns of additional costs incurred by the City in carrying out the provisions of the Contract.

Applicable Statute, Code, Policy, Rule or Regulation

NRS 277.180

Financial Information

Is there a fiscal impact? Yes No

If yes, account name/number: Workers' Compensation Interlocal 580-0000-337-56-50

Is it currently budgeted? Yes No

Explanation of Fiscal Impact: Up to \$60,000 in revenue to the Workers' Compensation Fund less a bi-weekly car allowance of \$150 that will be paid to the City's Risk Management Coordinator to compensate for the use of the employee's personal vehicle for travel related to this contract.

Alternatives

Not approve the Interlocal Contract.

Board Action Taken:

Motion: _____

1) _____

2) _____

Aye/Nay

(Vote Recorded By)

**1st Amendment to
Interlocal Contract for Self Insurance and Risk Management Consulting
Services**

Between

Carson City, Nevada

And

Douglas County, Nevada

This First Amendment to the Interlocal Contract for self-insurance and risk management consulting services is made and entered into between Carson City, a consolidated municipality and political subdivision of the State of Nevada (Carson), and Douglas County, a political subdivision of the State of Nevada (Douglas), based upon the mutual promises and representations contained herein. Carson and Douglas are at times collectively referred to herein as the “Parties” or individually as a “Party.”

WHEREAS, the initial Interlocal Contract for Risk Management Consulting Services was entered into on January 4, 2017, pursuant to Nevada Revised Statutes (NRS) 277.180(1) which allows any one or more public agencies to contract with any one or more other public agencies to perform any governmental service, activity or undertaking which any of the public agencies entering into the Contract is authorized by law to perform; and

WHEREAS, this First Amendment is necessary to extend the timeframe for services to be provided, expand the list of services to be provided and accordingly adjust the payment of services. Changes to the Interlocal Contract are reflected in this First Amendment by a ~~strike through~~ for language being deleted and language *italicized* and underlined to represent the amended language. All other provisions of the Interlocal remain in full force and effect.

WHEREAS, Douglas is currently evaluating whether there would be cost-savings and other benefits to becoming self-insured for both workers’ compensation insurance and liability insurance; and

WHEREAS, workers’ compensation insurance and liability insurance are legally required and basic necessities to Douglas’ operations; and

WHEREAS, Carson employs a Risk Management Coordinator who managed Carson’s transition to self-insured status and who provides risk management services as part of her job functions; and

WHEREAS, Carson is willing to provide consulting services to Douglas through the process of becoming self-insured and assist with establishing necessary risk management policies and procedures if and when Douglas becomes self-insured; and,

and **WHEREAS**, Douglas desires to enter into an agreement with Carson for those services;

NOW, THEREFORE, in consideration of the promises and of the mutual covenants herein contained, it is agreed among the Parties as follows:

1. **Term of Agreement.** The term of this Contract shall be from the date it is approved and signed by representatives of both Parties to ~~September 30, 2017~~ July 31, 2018, inclusive, unless terminated earlier in accordance with the provisions contained herein. The Contract may be extended for successive one-month periods provided both Parties agree in writing. If extended, all terms and conditions shall apply but the costs may be re-negotiated.
2. **Services to be Provided.** Carson will provide consulting services to Douglas through the process of becoming self-insured and assist with establishing necessary risk management policies and procedures if and when Douglas becomes self-insured (the "Services").

2.1 During the process of becoming self-insured, Services may include meetings and/or telephone discussions regarding the application for Self-Insurance (SI) Certification, Requests for Proposals for Third Party Administrator (if required), assistance in selecting a Third Party Administrator, and general discussions regarding the statutory and regulatory requirements and procedures for setting up Douglas' claims handling and paperwork processing should it become self-insured.

2.2 After SI Certification is obtained, Services will include workers' compensation claim set up and oversight, working closely with the selected Third Party Administrator in the administration of claims, claim reports, and claim reporting procedures; training Douglas personnel in completing claim-related forms and paperwork; assistance with training a Third Party Administrator on Douglas' claim process; assistance with employee information regarding the change to self-insurance; and assistance with establishing risk management policies and procedures. During the course of the Contract, the Risk Management Coordinator will be provided with a login password to the Third Party Administrator's proprietary system to enable claim set up and oversight, a Douglas email address and access to office equipment and staff assistance when available.

(a) During the course of the Contract, the Risk Management Coordinator will spend an average of two (2) days per week in Douglas; however it is understood by both parties that prior to and just after inception of the self-insured program, more time may be spent in Douglas for staff training purposes. When not physically in Douglas, the Risk Management Coordinator will be able to set up and review claims, run claims reports, and provide all other services by email and/or telephone and assist Douglas staff remotely from the Carson office.

(b) During the course of the Contract, Risk Management Coordinator will be available to both Carson and Douglas by office telephone, cell phone and/or email regardless of time or physical station at the time.

2.3 All Services will be arranged through and provided by Carson's Risk Management Coordinator, an employee of Carson's Finance Department, and the Parties may, by mutual agreement, expand the types of services provided to include any functions related to self-insurance and risk management within the Risk Management Coordinator's knowledge and expertise.

3. **Payment for Services.** Douglas will pay Carson at a rate of sixty-two dollars and sixty-five cents (\$62.65) per hour of Service, to include travel time between office locations and other necessary travel related to the Services. In addition, Douglas will reimburse Carson for a bi-weekly car allowance of \$150.00 that will be paid to the Risk Management Coordinator to compensate for the use of the employee's personal vehicle to travel between the Carson and Douglas offices and other necessary travel related to the Services. Carson agrees to send an invoice to Douglas on a quarterly basis, and payment will be due to Carson within thirty (30) days of receipt of Carson's invoice. The total amount to be reimbursed under this Contract is not to exceed ~~\$60,000~~ \$10,000.

3.1 In the event that Carson incurs additional costs in carrying out the provisions of this Contract, Douglas agrees that this Contract may be renegotiated at the request of Carson.

4. **Termination of Agreement.** Either Party may, without cause, terminate this Contract upon at least thirty (30) days advance written notice to the other Party.
5. **Construction of Contract.** This Contract shall be construed and interpreted according to the laws of the State of Nevada and will be reasonably construed to effectuate the intent of both Parties. There shall be no presumption for or against the drafter in interpreting or enforcing this Contract.
6. **Confidentiality.** Carson agrees that any information obtained from Douglas in providing the Services, in whatever form, will not be divulged to other competing interests without permission of the County Manager. In the event of a breach of this provision, Douglas may immediately withdraw, without penalty or payment, from this Contract.
7. **Notices.** Any notices or invoices required under the terms of this Contract shall be made by either U.S. mail or by hand delivery to the following:

Douglas County Human Resources
P.O. Box 218
Minden, NV 89423

Carson City Risk Management Coordinator
201 N. Carson St., Suite 3
Carson City, NV 89701

8. **Standard of Care.** Carson will perform all services in a manner consistent with any applicable licensing or professional rules and with that level of care and skill ordinarily

exercised by other members of Contractor's profession currently practicing in the same locality under similar conditions.

9. Conflict of Interest. By signing the Contract, Carson agrees that any information obtained from Douglas County, in whatever form, will not be divulged to other competing interests without the permission of the County Manager. In the event of a breach of this provision, Douglas County may immediately withdraw, without penalty, from the Contract. Contractor must notify Douglas County of any other contracts or projects Carson is working on that may impact Douglas County.

IN WITNESS WHEREOF, the Parties have approved this First Amendment and their authorized officers have affixed their names hereto.

On behalf of Carson City, Nevada

By: _____ Date _____
Robert L. Crowell, Mayor
Board of Supervisors

Approved as to Form:

Jason D. Woodbury, District Attorney
By: Adriana G. Fralick,
Deputy District Attorney

_____ Date _____

Attest:

By: _____ Date _____
Sue Merriwether, Clerk Recorder

On behalf of Douglas County, Nevada

By: _____ Date _____
William B. Penzel, Chairman
Board of County Commissioners

Attest:

By: _____
Kathy Lewis, Douglas County Clerk