

**COUNTY OF MONTEREY STANDARD AGREEMENT
(MORE THAN \$100,000)**

This **Agreement** is made by and between the County of Monterey, a political subdivision of the State of California (hereinafter "County") and:
Norman Peterson & Associates
(hereinafter "CONTRACTOR").

In consideration of the mutual covenants and conditions set forth in this Agreement, the parties agree as follows:

1.0 GENERAL DESCRIPTION.

- 1.01 The County hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in **Exhibit A** in conformity with the terms of this Agreement. The goods and/or services are generally described as follows:
Provide Return-to-Work Products and Services.

2.0 PAYMENT PROVISIONS.

- 2.01 County shall pay the CONTRACTOR in accordance with the payment provisions set forth in **Exhibit A**, subject to the limitations set forth in this Agreement. The total amount payable by County to CONTRACTOR under this Agreement shall not exceed the sum of \$ 750,000.

3.0 TERM OF AGREEMENT.

- 3.01 The term of this Agreement is from July 1, 2019 to June 30, 2022, unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both CONTRACTOR and County and with County signing last, and **CONTRACTOR may not commence work before County signs this Agreement.**
- 3.02 The County reserves the right to cancel this Agreement, or any extension of this Agreement, without cause, with a thirty day (30) written notice, or with cause immediately.

4.0 SCOPE OF SERVICES AND ADDITIONAL PROVISIONS.

- 4.01 The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:
Exhibit A Scope of Services/Payment Provisions

5.0 PERFORMANCE STANDARDS.

- 5.01 CONTRACTOR warrants that CONTRACTOR and CONTRACTOR's agents, employees, and subcontractors performing services under this Agreement are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this Agreement and are not employees of the County, or immediate family of an employee of the County.
- 5.02 CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.
- 5.03 CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this Agreement, except as otherwise specified in this Agreement. CONTRACTOR shall not use County premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement.

6.0 PAYMENT CONDITIONS.

- 6.01 Prices shall remain firm for the initial term of the Agreement and, thereafter, may be adjusted annually as provided in this paragraph. The County does not guarantee any minimum or maximum amount of dollars to be spent under this Agreement.
- 6.02 Negotiations for rate changes shall be commenced, by CONTRACTOR, a minimum of ninety days (90) prior to the expiration of the Agreement. Rate changes are not binding unless mutually agreed upon in writing by the County and the CONTRACTOR.
- 6.03 Invoice amounts shall be billed directly to the ordering department.
- 6.04 CONTRACTOR shall submit such invoice periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice. The County shall certify the invoice, either in the requested amount or in such other amount as the County approves in conformity with this Agreement, and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.

7.0 TERMINATION.

- 7.01 During the term of this Agreement, the County may terminate the Agreement for any reason by giving written notice of termination to the CONTRACTOR at least thirty (30) days prior to the effective date of termination. Such notice shall set forth the effective date of termination. In the event of such termination, the amount payable under this Agreement shall be reduced in proportion to the services provided prior to the date of termination.

- 7.02 The County may cancel and terminate this Agreement for good cause effective immediately upon written notice to CONTRACTOR. "Good cause" includes the failure of CONTRACTOR to perform the required services at the time and in the manner provided under this Agreement. If County terminates this Agreement for good cause, the County may be relieved of the payment of any consideration to CONTRACTOR, and the County may proceed with the work in any manner, which County deems proper. The cost to the County shall be deducted from any sum due the CONTRACTOR under this Agreement.
- 7.03 The County's payments to CONTRACTOR under this Agreement are funded by local, state and federal governments. If funds from local, state and federal sources are not obtained and continued at a level sufficient to allow for the County's purchase of the indicated quantity of services, then the County may give written notice of this fact to CONTRACTOR, and the obligations of the parties under this Agreement shall terminate immediately, or on such date thereafter, as the County may specify in its notice, unless in the meanwhile the parties enter into a written amendment modifying this Agreement.

8.0 INDEMNIFICATION.

- 8.01 CONTRACTOR shall indemnify, defend, and hold harmless the County, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with the CONTRACTOR's performance of this Agreement, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of the County. "CONTRACTOR's performance" includes CONTRACTOR's action or inaction and the action or inaction of CONTRACTOR's officers, employees, agents and subcontractors.

9.0 INSURANCE REQUIREMENTS.

9.01 Evidence of Coverage:

Prior to commencement of this Agreement, the Contractor shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, the Contractor upon request shall provide a certified copy of the policy or policies.

This verification of coverage shall be sent to the County's Contracts/Purchasing Department, unless otherwise directed. The Contractor shall not receive a "Notice to Proceed" with the work under this Agreement until it has obtained all insurance required and the County has approved such insurance. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

9.02 Qualifying Insurers:

All coverage's, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII, according to

the current Best's Key Rating Guide or a company of equal financial stability that is approved by the County's Purchasing Manager.

- 9.03 **Insurance Coverage Requirements:** Without limiting CONTRACTOR's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

Commercial General Liability Insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

(Note: any proposed modifications to these general liability insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Business Automobile Liability Insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

(Note: any proposed modifications to these auto insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Workers' Compensation Insurance, if CONTRACTOR employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than \$1,000,000 each person, \$1,000,000 each accident and \$1,000,000 each disease.

(Note: any proposed modifications to these workers' compensation insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Professional Liability Insurance, if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the CONTRACTOR shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this Agreement.

(Note: any proposed modifications to these insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

9.04 Other Requirements:

All insurance required by this Agreement shall be with a company acceptable to the County and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this Agreement.

Each liability policy shall provide that the County shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for Contractor and additional insureds with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional Insureds with respect to liability arising out of the CONTRACTOR'S work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the CONTRACTOR'S insurance. The required endorsement form for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement form for Automobile Additional Insured endorsement is ISO Form CA 20 48 02 99.

Prior to the execution of this Agreement by the County, CONTRACTOR shall file certificates of insurance with the County's contract administrator and County's Contracts/Purchasing Division, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

CONTRACTOR shall at all times during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by County, annual certificates to County's Contract Administrator and County's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this Agreement, which entitles County, at its sole discretion, to terminate this Agreement immediately.

10.0 RECORDS AND CONFIDENTIALITY.

- 10.01 Confidentiality. CONTRACTOR and its officers, employees, agents, and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from the County or prepared in connection with the performance of this Agreement, unless County specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to County any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by CONTRACTOR in the performance of this Agreement except for the sole purpose of carrying out CONTRACTOR's obligations under this Agreement.
- 10.02 County Records. When this Agreement expires or terminates, CONTRACTOR shall return to County any County records which CONTRACTOR used or received from County to perform services under this Agreement.
- 10.03 Maintenance of Records. CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and County rules and regulations related to services performed under this Agreement. CONTRACTOR shall maintain such records for a period of at least three years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the three year period, then CONTRACTOR shall retain said records until such action is resolved.
- 10.04 Access to and Audit of Records. The County shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONTRACTOR and its subcontractors related to services provided under this Agreement. Pursuant to Government Code section 8546.7, if this Agreement involves the expenditure of public funds in excess of \$10,000, the parties to this Agreement may be subject, at the request of the County or as part of any audit of the County, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.
- 10.05 Royalties and Inventions. County shall have a royalty-free, exclusive and irrevocable license to reproduce, publish, and use, and authorize others to do so, all original computer programs, writings, sound recordings, pictorial reproductions, drawings, and other works of similar nature produced in the course of or under this Agreement. CONTRACTOR shall not publish any such material without the prior written approval of County.

11.0 NON-DISCRIMINATION.

- 11.01 During the performance of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), or sexual orientation, either in CONTRACTOR's employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR and any subcontractor shall, in the performance of this Agreement, fully comply with all federal,

state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.

12.0 COMPLIANCE WITH TERMS OF STATE OR FEDERAL GRANTS.


12.01 If this Agreement has been or will be funded with monies received by the County pursuant to a contract with the state or federal government in which the County is the grantee, CONTRACTOR will comply with all the provisions of said contract, to the extent applicable to CONTRACTOR as a subgrantee under said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, County will deliver a copy of said contract to CONTRACTOR, at no cost to CONTRACTOR.

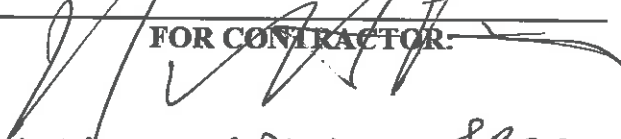
13.0 INDEPENDENT CONTRACTOR.

13.01 In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is at all times acting and performing as an independent contractor and not as an employee of the County. No offer or obligation of permanent employment with the County or particular County department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from County any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of CONTRACTOR's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold County harmless from any and all liability which County may incur because of CONTRACTOR's failure to pay such taxes.

14.0 NOTICES.

14.01 Notices required under this Agreement shall be delivered personally or by first-class, postage pre-paid mail to the County and CONTRACTOR'S contract administrators at the addresses listed below:

FOR COUNTY:  Nancy Rice, Workers' Compensation Manager
Name and Title
168 W. Alisal St., 3rd Floor Salinas, CA 93901
Address
(831) 755-5181
Phone

FOR CONTRACTOR:  Robert A. Rodriguez, Pres
Name and Title
546 Wooding Rd Ashland CA 95520
Address
541 489 0162
Phone

15.0 MISCELLANEOUS PROVISIONS.

- 15.01 Conflict of Interest. CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement, which would directly, or indirectly conflict in any manner or to any degree with the full and complete performance of the services required to be rendered under this Agreement.
- 15.02 Amendment. This Agreement may be amended or modified only by an instrument in writing signed by the County and the CONTRACTOR.
- 15.03 Waiver. Any waiver of any terms and conditions of this Agreement must be in writing and signed by the County and the CONTRACTOR. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.
- 15.04 Contractor. The term "CONTRACTOR" as used in this Agreement includes CONTRACTOR's officers, agents, and employees acting on CONTRACTOR's behalf in the performance of this Agreement.
- 15.05 Disputes. CONTRACTOR shall continue to perform under this Agreement during any dispute.
- 15.06 Assignment and Subcontracting. The CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement without the prior written consent of the County. None of the services covered by this Agreement shall be subcontracted without the prior written approval of the County. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement.
- 15.07 Successors and Assigns. This Agreement and the rights, privileges, duties, and obligations of the County and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.
- 15.08 Compliance with Applicable Law. The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.
- 15.09 Headings. The headings are for convenience only and shall not be used to interpret the terms of this Agreement.
- 15.10 Time is of the Essence. Time is of the essence in each and all of the provisions of this Agreement.
- 15.11 Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of California.
- 15.12 Non-exclusive Agreement. This Agreement is non-exclusive and both County and CONTRACTOR expressly reserve the right to contract with other entities for the same or similar services.

- 15.13 Construction of Agreement. The County and CONTRACTOR agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.
- 15.14 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.
- 15.15 Authority. Any individual executing this Agreement on behalf of the County or the CONTRACTOR represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such party and bind the party to the terms and conditions of this Agreement.
- 15.16 Integration. This Agreement, including the exhibits, represent the entire Agreement between the County and the CONTRACTOR with respect to the subject matter of this Agreement and shall supersede all prior negotiations, representations, or agreements, either written or oral, between the County and the CONTRACTOR as of the effective date of this Agreement, which is the date that the County signs the Agreement.
- 15.17 Interpretation of Conflicting Provisions. In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

-----*This section left blank intentionally*-----

16.0 SIGNATURE PAGE.

IN WITNESS WHEREOF, County and CONTRACTOR have executed this Agreement as of the day and year written below.

COUNTY OF MONTEREY

By: _____
Contracts/Purchasing Officer

Date: _____

By: _____
Department Head (if applicable)

Date: _____

By: _____
Board of Supervisors (if applicable)

Date: _____

Approved as to Form¹

By: _____
County Counsel

Date: _____

Approved as to Fiscal Provisions²

By: _____
Auditor/Controller

Date: _____

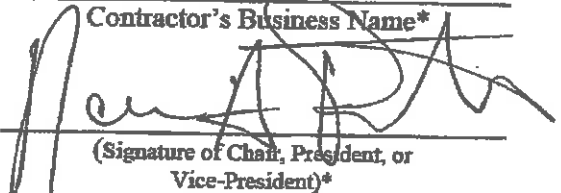
Approved as to Liability Provisions³

By: _____
Risk Management

Date: _____

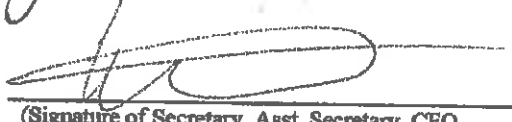
CONTRACTOR

Norman Petersen & Associates
Contractor's Business Name*

By: 
(Signature of Chair, President, or Vice-President)*

ERIK PETERSEN, PASC
Name and Title

Date: Jan 26 2019

By: 
(Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasurer)*

ERIK PETERSEN Vice President
Name and Title

Date: June 27th 2019

County Board of Supervisors' Agreement Number: _____, approved on (date): _____

*INSTRUCTIONS: IF CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement.

¹Approval by County Counsel is required

²Approval by Auditor-Controller is required

³Approval by Risk Management is necessary only if changes are made in paragraphs 8 or 9

EXHIBIT A

SCOPE OF SERVICES

NPA Return-to-Work Services, a proposal for County of Monterey

OUR System RTW Services has a proven track record that can work for your organization. On average, once implemented, you can expect to see a 20% drop in your total incurred costs and a 30% reduction in lost work days during the first two years followed by a 10% drop in the third year and a 5% drop in the fourth year.

The costs outlined in this option are guaranteed and locked for 24 months beginning on the date of implementation.

OUR System, Return-to-Work Services for Indemnity Only*

Using the OUR System's Placement Administration Team (PAT), your designated RTW Specialist will help you manage your daily RTW efforts. Under the PAT model, Option 2, NPA predicts a savings of approximately \$2,000,000 (20%) in the first year of utilizing OUR System Return-to-Work (RTW) Services. Please note this option will reflect a tiered pricing structure, as outlined below, beginning with the introductory price of \$750 per claim – applies to all accepted indemnity claims and medical only claims where RTW Services have been provided.

Tiered Pricing for Indemnity Only*

Year 1	\$750 per claim
Year 2	\$850 per claim
Year 3 – price is guaranteed for 2 years	\$950 per claim

In addition to the cost outlined above, there is a one-time setup fee of \$20,000. The fee can be paid in full in the first month of implementation or billed to the file for an additional \$125 per accepted claim until the fee is recovered.

Cost (estimated)	RTW Services, Indemnity Only*
Year 1	\$750** per claim x 251 claims = \$188,250 + \$20,000 set up fee = \$208,250
Year 2	\$850 per claim x 251 claims = \$213,350
Year 3	\$950 per claim x 251 claims = \$238,450

OUR System RTW Services has a proven track record that can work for your organization. On average, once implemented, you can expect to see a 20% drop in your total incurred costs and a 30% reduction in lost work days during the first two years followed by a 10% drop in the third year and a 5% drop in the fourth year.

Estimated average savings over 3 years	\$1,800,000
Estimated average Return on Investment	1.2 months

*Includes indemnity and medical only claims where RTW Services are provided

**Introductory fee of \$750 is applicable for the first 12 months

NPA Return-to-Work Services, a proposal for County of Monterey

What is OUR System Return-to-Work Services?

Developed in 1985 by Norman A. Peterson, of Norman Peterson & Associates (NPA), the **OUR (Optimal Utilization of Resources) System®** is a proactive Return-to-Work (RTW) service designed to benefit everyone—employers, employees and physicians—in both the private and public sectors. The OUR System® aides and reduces pain and suffering, both physical and financial, while allowing the employer to recapture productivity. The OUR System will drastically reduce workers' compensation costs, saving you time and money while laying the foundation for compliance with ADA and FEHA requirements. Implementing OUR System RTW Services will help your organization control costs and return workers to meaningful, productive work in a timely manner.

Our team of RTW Specialists will review your RTW efforts and analyze work/tasks currently being performed within your organization. Using these findings NPA RTW Specialists will develop a unique, custom series of temporary full-time equivalent modified duty assignments known as "Bridge Assignments." These Bridge Assignments are then grouped by type of injury and physical capacities and plotted on a matrix. This dynamic matrix of Bridge Assignments creates the foundation of the OUR System.

In our 30+ years of expertise, NPA has created over 4,000 field developed and tested Bridge Assignments while implementing the OUR System in more than 1,000 organizations in all 50 states across the United States, Canada and Mexico.

OUR System implementation

OUR System RTW Services includes the creation, implementation, and staff training of the OUR System, as well as the ongoing RTW Services for claim files. NPA retains ownership of the OUR System created for County of Monterey for a three year period, after which County of Monterey will own their OUR System.

included in the OUR System:

- A unique series of Bridge Assignments, custom fit for your organization
- OUR System implementation for all relevant personnel
- OUR System pre-briefing and final training for all key personnel
- Medical Provider training
- TPA Training (as appropriate)
- OUR System manuals for all designated personnel (upon request)

NPA Return-to-Work Services, a proposal for County of Monterey

Included in RTW Services:

- Evaluation and monitoring of each reported injury for RTW Services. All files are monitored for physical capacities and work status.
- NPA gathers information on each claim opened for RTW Services, such as the nature of the injury, department supervisor contact information, physician contact information, and appointment dates.
- NPA works closely with selected personnel to identify appropriate Bridge Assignments (BA) to present to the physician.
- We monitor the injured worker's RTW progress by maintaining contact with the physician and supervisor and follow through until a decision regarding RTW is made.
- Record all RTW activities and track the days in modified duty via our BridgIT software.
- Provide monthly status reports to management, supervisors, and TPAs for all active RTW claims.
- Provide quarterly and annual RTW analysis, including TTD savings, NPA fees, and other pertinent data.
- Helps support the interactive process as required for FEHA and ADA compliance process.

Benefits of the OUR System:

1. **Reduction of Indemnity:** The OUR System has the most direct impact on paid indemnity costs. By being prepared and equipped in advance with temporary transitional work (Bridge Assignments), managers may return injured workers to useful and productive work almost instantly, thus dramatically reducing the number of days the employer must pay indemnity benefits.
2. **Impact on Medical Costs:** Since the OUR System is not an accident prevention program, it is sometimes assumed that it can have no impact on the medical costs of workers' compensation claims. However, there is substantial evidence that workers who are quickly brought back to work in productive and appropriate assignments, with doctor approval, will not aggravate their injuries and will, in fact, recover more quickly, thus reducing medical costs. Some studies report up to a 50% decrease in recovery time.
3. **Control of Reserves:** The OUR System impacts reserves in two ways. First, existing open claims may be re-evaluated and transitioned into a newly implemented OUR System, resulting in early closure and/or improved settlement standing on some claims. The second area of impact is on the future setting of reserves. After a period of successful claims management, during which lost work days and claim costs are reduced and claims are closed more quickly than historically expected, reserves may be set at reduced levels from the beginning of the claim to more accurately reflect the life of the claim under the OUR System.
4. **Additional known benefits of the OUR System include:**
 - Enables medical providers to quickly assess feasibility and suitability of Bridge Assignments.
 - Provides employers with additional productivity.
 - Reduces the recovery period and minimizes the risk of re-injury.
 - Improves settlement posture on long term cases.
 - Discourages fraud.
 - Historically has led to a reduction in workers' compensation claims.

NPA Return-to-Work Services, a proposal for County of Monterey

OUR System Guarantee

NPA guarantees that the workers' compensation savings will be greater than the fee paid as agreed upon above, by the end of one year of full and conscientious use of OUR System RTW Services. This guarantee shall be in effect only when in accordance with stipulations describing the documentation and monitoring of avoided costs and other savings. The stipulations are as follows:

For the purpose of this evaluation audit, County of Monterey shall make available to NPA the most current OSHA log and loss-run data. The calculations of savings will be based upon any mutually agreed upon measurement technique by NPA and County of Monterey. Failure to realize said savings will cause NPA to reimburse County of Monterey the amount of documented shortfall within 60 days of the audit.

If the OUR System program is not used as designed and if NPA is not consulted when problems arise, then the above stated guarantee will be null and void.

OUR System® Bridge Assignment Development Stages

Phase 1 - PRE-BRIEFING: The OUR System implementation is designed to be non-disruptive to your organization. To make this process as efficient as possible, we typically ask to be put on the agenda of your organization's regularly scheduled managers' and supervisors' meetings. At the pre-briefing:

- A representative of Norman Peterson and Associates (NPA) will introduce the OUR System, explain how Bridge Assignments (temporary transitional positions) will be developed with your staff and outline the goals for the program.
- A clear picture of the on-site implementation will be given, outlining who is responsible for each portion, selecting date(s) for the onsite implementation, and obtaining a commitment to collect input, in the form of Wish Lists, from this group and other employees.
- This group of people will be asked to distribute Wish Lists and set up interview appointments for our Return-to-Work (RTW) Specialists. Also, the group may be needed intermittently to assist the team of RTW Specialists during the on-site bridge assignment development.
- The number of days on-site will vary according to the size of the organization.

Wish Lists will be distributed and explained at the pre-briefing meeting. This is an important tool used by the NPA team while on-site to identify priority tasks that will be incorporated into the design of the Bridge Assignments. The core group will be asked to complete the Wish Lists and also to distribute blank copies to additional staff. It is important that all departments complete Wish Lists. They are to be returned either via e-mail or fax to the NPA office at least one week prior to the on-site implementation, in order to provide time for NPA to assess and rank tasks listed according to their recurrence.

Phase 2 - ON-SITE IMPLEMENTATION: A team of NPA RTW Specialists will arrive at your organization typically a week to ten days after the pre-briefing.

- The team will observe and interview as many people as possible to identify and qualify the tasks that will be used to create the Bridge Assignments.
- Interviews will be conducted with managers, supervisors, key staff members, leads and other staff who may be identified, etc.
- Customized Bridge Assignments will be developed for the organization in general, and specific departments if necessary.
- Once rough drafts of the Bridge Assignments have been written, the RTW Specialists will review them with the appropriate management personnel.
- The RTW Specialists will also identify key personnel within the organization that can assist with placement of injured workers.

Visits to Medical Providers: An NPA RTW Specialist will visit your primary medical providers and explain the OUR System Bridge Assignments. We will require a list of your primary medical providers, in order to arrange appointments ahead of time. We prefer to have a representative from the organization accompany us on these visits, however it is not a requisite.

Phase 3 – RETURN-TO-WORK SERVICES: While on-site, the RTW Specialist assigned to your organization will begin working with appropriate personnel to identify injured workers currently off work who are eligible for the OUR System program. Once the injured workers are identified, the RTW Specialist will perform the ongoing return-to-work administration for the OUR System, which includes the steps listed below. These steps will also be applicable to all new claims.

Upon notification, an NPA RTW Specialist will:

- Evaluate and monitor each reported injury for RTW Services. All files are monitored for physical capacities and working status.
- Contact personnel such as department supervisor and claims examiner to gather information regarding the injury, such as physician contact information and the nature of the injury.
- Work with employer personnel to select appropriate Bridge Assignment(s) to submit to the physician for approval.
- Continue to contact the physician until a decision regarding return-to-work is made. (Once the physician has given approval for return-to-work, the employer will be responsible for contacting the worker regarding time and place of the return-to-work assignment.)
- Repeat this process until the worker is deemed permanent and stationary or the worker cannot return to his or her usual and customary job.
- Record all return-to-work activities in our BridgIT® software.
- Provide monthly status reports.
- Inform pertinent parties of each worker's status.
- Provide OUR System training for designated medical providers.
- Support the FEHA and ADA compliance process.
- Provide quarterly and annual RTW analysis reports.

PAYMENT PROVISIONS

A. One-time Set-up Fee

Upon the effective date of this Agreement, CONTRACTOR shall provide an invoice to the person identified in section 14.01 of the Agreement for payment of the one-time set-up fee of \$20,000. County shall process the invoice for payment as soon as possible, but payment shall be made no later than 45 days following receipt of the invoice.

B. Per Claim Fee

Upon notification by County or the County's Workers' Compensation Third Party Administrator ("TPA") of a claim for which services are requested, NPA will send an invoice for the per claim fee set forth in the Agreement to the TPA (currently, Intercare Holdings Insurance Services). The TPA shall process the invoice as part of the appropriate claim file.

C. Not to Exceed Amount All Inclusive

All costs and expenses of any kind for the services and products provided by NPA to the County pursuant to this Agreement are included in the Not to Exceed amount set forth in section 2.01 of the Agreement.

It is understood by the parties that the Not to Exceed amount in section 2.01 is based upon an estimate of the number of annual claims for which services will be rendered by NPA. In the event the Not to Exceed amount proves insufficient, the parties will confer in good faith for a potential amendment to the Agreement to address the insufficiency; however, County expressly reserves the right to terminate this Agreement in the event of such insufficiency.