

**PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF SAN BERNARDINO
AND BLACK AND ROSE LLP**

This Agreement is made and entered into as of July 1, 2024 by and between the City of San Bernardino, a charter city and municipal corporation organized and operating under the laws of the State of California with its principal place of business at Vanir Tower, 290 North D Street, San Bernardino, CA 92401 ("City"), and Black and Rose, a Limited Liability Partnership with its principal place of business at 18301 Von Karman Avenue, Irvine, CA 92612 (hereinafter referred to as "Consultant"). City and Consultant are hereinafter sometimes referred to individually as "Party" and collectively as the "Parties."

RECITALS

A. City is a public agency of the State of California and is in need of professional services for the following project:

Provide workers' compensation legal services, utilizing creative and effective litigation strategies to resolve claims in a timely manner with minimal exposure to the City. (hereinafter referred to as "the Project").

B. Consultant is duly licensed and has the necessary qualifications to provide such services.

C. The Parties desire by this Agreement to establish the terms for City to retain Consultant to provide the services described herein.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

AGREEMENT

1. Incorporation of Recitals. The recitals above are true and correct and are hereby incorporated herein by this reference.

2. Services. Consultant shall provide the City with the services described in the Scope of Services attached hereto as Exhibit "A."

3. Professional Practices. All professional services to be provided by Consultant pursuant to this Agreement shall be provided by personnel identified in their proposal. Consultant warrants that Consultant is familiar with all laws that may affect its performance of this Agreement and shall advise City of any changes in any laws that may affect Consultant's performance of this Agreement. Consultant further represents that no City employee will provide any services under this Agreement.

4. Compensation.

a. Subject to paragraph 4(b) below, the City shall pay for such services

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in accordance with the Schedule of Charges set forth in Exhibit "A."

b. In no event shall the total amount paid for services rendered by Consultant under this Agreement exceed the sum of one hundred thousand **(\$100,000)** annually. This amount is to cover all related costs, and the City will not pay any additional fees for printing expenses. Consultant may submit invoices to City for approval. Said invoice shall be based on the total of all Consultant's services which have been completed to City's sole satisfaction. City shall pay Consultant's invoice within forty-five (45) days from the date City receives said invoice. The invoice shall describe in detail the services performed and the associated time for completion. Any additional services approved and performed pursuant to this Agreement shall be designated as "Additional Services" and shall identify the number of the authorized change order, where applicable, on all invoices.

5. Additional Work. If changes in the work seem merited by Consultant or the City, and informal consultations with the other party indicate that a change is warranted, it shall be processed in the following manner: a letter outlining the changes shall be forwarded to the City by Consultant with a statement of estimated changes in fee or time schedule. An amendment to this Agreement shall be prepared by the City and executed by both Parties before performance of such services, or the City will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

a. Adjustments. No retroactive price adjustments will be considered. Additionally, no price increases will be permitted during the first year of this Agreement, unless agreed to by City and Consultant in writing.

6. Term. This Agreement shall commence on the Effective Date and continue through June 30, 2027, with the option of two (2), one (1) year extensions, unless the Agreement is previously terminated as provided for herein ("Term").

7. Maintenance of Records; Audits.

a. Records of Consultant's services relating to this Agreement shall be maintained in accordance with generally recognized accounting principles and shall be made available to City for inspection and/or audit at mutually convenient times for a period of four (4) years from the Effective Date.

b. Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Consultant and made available at all reasonable times during the contract period and for four (4) years from the date of final payment under the contract for inspection by City.

8. Time of Performance. Consultant shall perform its services in a prompt and timely manner and shall commence performance upon receipt of written notice from the City to proceed. Consultant shall complete the services required hereunder within Term.

9. Delays in Performance.

a. Neither City nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing Party. For purposes of this Agreement, such circumstances include a Force Majeure Event. A Force Majeure Event shall mean an event that materially affects the Consultant's performance and is one or more of the following: (1) Acts of God or other natural disasters occurring at the project site; (2) terrorism or other acts of a public enemy; (3) orders of governmental authorities (including, without limitation, unreasonable and unforeseeable delay in the issuance of permits or approvals by governmental authorities that are required for the services); and (4) pandemics, epidemics or quarantine restrictions. For purposes of this section, "orders of governmental authorities," includes ordinances, emergency proclamations and orders, rules to protect the public health, welfare and safety.

b. Should a Force Majeure Event occur, the non-performing Party shall, within a reasonable time of being prevented from performing, give written notice to the other Party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement. Delays shall not entitle Consultant to any additional compensation regardless of the Party responsible for the delay.

c. Notwithstanding the foregoing, the City may still terminate this Agreement in accordance with the termination provisions of this Agreement.

10. Compliance with Law.

a. Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government, including Cal/OSHA requirements.

b. If required, Consultant shall assist the City, as requested, in obtaining and maintaining all permits required of Consultant by federal, state and local regulatory agencies.

c. If applicable, Consultant is responsible for all costs of clean up and/or removal of hazardous and toxic substances spilled as a result of his or her services or operations performed under this Agreement.

11. Standard of Care. Consultant's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions. Consultant's performance shall conform in all material respects to the requirements of the Scope of Work.

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12. Conflicts of Interest. During the term of this Agreement, Consultant shall at all times maintain a duty of loyalty and a fiduciary duty to the City and shall not accept payment from or employment with any person or entity which will constitute a conflict of interest with the City.

13. City Business Certificate. Consultant shall, prior to execution of this Agreement, obtain and maintain during the term of this Agreement a valid business registration certificate from the City pursuant to Title 5 of the City's Municipal Code and any and all other licenses, permits, qualifications, insurance, and approvals of whatever nature that are legally required of Consultant to practice his/her profession, skill, or business.

14. Assignment and Subconsultant. Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the City, which may be withheld for any reason. Any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement. Nothing contained herein shall prevent Consultant from employing independent associates and subconsultants as Consultant may deem appropriate to assist in the performance of services hereunder.

15. Independent Consultant. Consultant is retained as an independent contractor and is not an employee of City. No employee or agent of Consultant shall become an employee of City. The work to be performed shall be in accordance with the work described in this Agreement, subject to such directions and amendments from City as herein provided. Any personnel performing the work governed by this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, and workers' compensation insurance.

16. Insurance. Consultant shall not commence work for the City until it has provided evidence satisfactory to the City it has secured all insurance required under this section. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

a. Additional Insured

The City of San Bernardino, its officials, officers, employees, agents, and volunteers shall be named as additional insureds on Consultant's and its subconsultants' policies of commercial general liability and automobile liability insurance using the endorsements and forms specified herein or exact equivalents.

b. Commercial General Liability

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(i) The Consultant shall take out and maintain, during the performance of all work under this Agreement, in amounts not less than specified herein, Commercial General Liability Insurance, in a form and with insurance companies acceptable to the City.

(ii) Coverage for Commercial General Liability insurance shall be at least as broad as the following:

Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 00 01) or exact equivalent.

(iii) Commercial General Liability Insurance must include coverage for the following:

- (1) Bodily Injury and Property Damage
- (2) Personal Injury/Advertising Injury
- (3) Premises/Operations Liability
- (4) Products/Completed Operations Liability
- (5) Aggregate Limits that Apply per Project
- (6) Explosion, Collapse and Underground (UCX) exclusion deleted
- (7) Contractual Liability with respect to this Contract
- (8) Broad Form Property Damage
- (9) Independent Consultants Coverage

(iv) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; (3) products/completed operations liability; or (4) contain any other exclusion contrary to the Agreement.

(v) The policy shall give City, its elected and appointed officials, officers, employees, agents, and City-designated volunteers additional insured status using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(vi) The general liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by the City, and provided that such deductibles shall not apply to the City as an additional insured.

c. Automobile Liability

(i) At all times during the performance of the work under this Agreement, the Consultant shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to the City.

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(ii) Coverage for automobile liability insurance shall be at least as broad as Insurance Services Office Form Number CA 00 01 covering automobile liability (Coverage Symbol 1, any auto).

(iii) The policy shall give City, its elected and appointed officials, officers, employees, agents and City designated volunteers additional insured status.

(iv) Subject to written approval by the City, the automobile liability program may utilize deductibles, provided that such deductibles shall not apply to the City as an additional insured, but not a self-insured retention.

d. Workers' Compensation/Employer's Liability

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) To the extent Consultant has employees at any time during the term of this Agreement, at all times during the performance of the work under this Agreement, the Consultant shall maintain full compensation insurance for all persons employed directly by him/her to carry out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any acts amendatory thereof, and Employer's Liability Coverage in amounts indicated herein. Consultant shall require all subconsultants to obtain and maintain, for the period required by this Agreement, workers' compensation coverage of the same type and limits as specified in this section.

e. Professional Liability (Errors and Omissions)

At all times during the performance of the work under this Agreement the Consultant shall maintain professional liability or Errors and Omissions insurance appropriate to its profession, in a form and with insurance companies acceptable to the City and in an amount indicated herein. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

f. Privacy/Network Security (Cyber)

At all times during the performance of the work under this Agreement, the Consultant shall maintain privacy/network security insurance for: (1) privacy breaches, (2) system breaches, (3) denial or loss of service, and the (4) introduction, implantation

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or spread of malicious software code, in a form and with insurance companies acceptable to the City.

g. Minimum Policy Limits Required

(i) The following insurance limits are required for the Agreement:

	<u>Combined Single Limit</u>
Commercial General Liability	\$2,000,000 per occurrence/\$4,000,000 aggregate for bodily injury, personal injury, and property damage
Automobile Liability	\$1,000,000 per occurrence for bodily injury and property damage
Employer's Liability	\$1,000,000 per occurrence
Professional Liability	\$1,000,000 per claim and aggregate (errors and omissions)
Cyber Liability	\$1,000,000 per occurrence and aggregate

h. Evidence Required

Prior to execution of the Agreement, the Consultant shall file with the City evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 00 01 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent), together with required endorsements. All evidence of insurance shall be signed by a properly authorized officer, agent, or qualified representative of the insurer and shall certify the names of the insured, any additional insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

i. Policy Provisions Required

(i) Consultant shall provide the City at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of the premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to the City at least ten (10) days prior to the effective date of cancellation or expiration.

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(ii) The Commercial General Liability Policy and Automobile Policy shall each contain a provision stating that Consultant's policy is primary insurance and that any insurance, self-insurance or other coverage maintained by the City or any named insureds shall not be called upon to contribute to any loss.

(iii) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(iv) All required insurance coverages, except for the professional liability coverage, shall contain or be endorsed to provide waiver of subrogation in favor of the City, its officials, officers, employees, agents, and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

(v) The limits set forth herein shall apply separately to each insured against whom claims are made or suits are brought, except with respect to the limits of liability. Further the limits set forth herein shall not be construed to relieve the Consultant from liability in excess of such coverage, nor shall it limit the Consultant's indemnification obligations to the City and shall not preclude the City from taking such other actions available to the City under other provisions of the Agreement or law.

j. Qualifying Insurers

(i) All policies required shall be issued by acceptable insurance companies, as determined by the City, which satisfy the following minimum requirements:

(1) Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and admitted to transact in the business of insurance in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

k. Additional Insurance Provisions

(i) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the City, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including, but not limited to, the provisions concerning indemnification.

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(ii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Consultant or City will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, City may cancel this Agreement.

(iii) The City may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(iv) Neither the City nor the City Council, nor any member of the City Council, nor any of the officials, officers, employees, agents or volunteers shall be personally responsible for any liability arising under or by virtue of this Agreement.

I. Subconsultant Insurance Requirements. Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to the City that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name the City as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, City may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

17. Indemnification.

a. To the fullest extent permitted by law, Consultant shall defend (with counsel reasonably approved by the City), indemnify and hold the City, its elected and appointed officials, officers, employees, agents, and authorized volunteers free and harmless from any and all claims, demands, causes of action, suits, actions, proceedings, costs, expenses, liability, judgments, awards, decrees, settlements, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, (collectively, "Claims") in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services, the Project, or this Agreement, including without limitation the payment of all damages, expert witness fees, attorneys' fees and other related costs and expenses. This indemnification clause excludes Claims arising from the sole negligence or willful misconduct of the City. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the City, the City Council, members of the City Council, its employees, or authorized volunteers. Consultant's indemnification obligation shall survive the expiration or earlier termination of this Agreement.

b. If Consultant's obligation to defend, indemnify, and/or hold harmless arises out of Consultant's performance as a "design professional" (as that term is defined under Civil Code section 2782.8), then, and only to the extent required by Civil Code section 2782.8, which is fully incorporated herein, Consultant's indemnification obligation

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shall be limited to the extent which the Claims arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant in the performance of the services or this Agreement, and, upon Consultant obtaining a final adjudication by a court of competent jurisdiction, Consultant's liability for such claim, including the cost to defend, shall not exceed the Consultant's proportionate percentage of fault.

18. California Labor Code Requirements. Consultant is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. If the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, Consultant agrees to fully comply with such Prevailing Wage Laws, if applicable. Consultant shall defend, indemnify and hold the City, its elected officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Consultant and all subcontractors to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Sections 1771.4 and 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of contractors and subcontractors (Labor Code Section 1777.1).

If the Services are being performed as part of an applicable "public works" or "maintenance" project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subconsultants performing such Services must be registered with the Department of Industrial Relations. Consultant shall maintain registration for the duration of the Project and require the same of any subconsultants, as applicable. This Project may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements.

19. Verification of Employment Eligibility. By executing this Agreement, Consultant verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subconsultants and sub-subconsultants to comply with the same.

20. Laws and Venue. This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of San Bernardino, State of California.

21. Termination or Abandonment

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a. City has the right to terminate or abandon any portion or all of the work under this Agreement by giving ten (10) calendar days' written notice to Consultant. In such event, City shall be immediately given title and possession to all original field notes, drawings and specifications, written reports and other documents produced or developed for that portion of the work completed and/or being abandoned. City shall pay Consultant the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for the Project for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by City and Consultant of the portion of such task completed but not paid prior to said termination. City shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services, and shall not be entitled to damages or compensation for termination of work.

b. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days' written notice to City only in the event of substantial failure by City to perform in accordance with the terms of this Agreement through no fault of Consultant.

22. Attorneys' Fees. In the event that litigation is brought by any Party in connection with this Agreement, the prevailing Party shall be entitled to recover from the opposing Party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing Party in the exercise of any of its rights or remedies hereunder or the enforcement of any of the terms, conditions, or provisions hereof. The costs, salary, and expenses of the City Attorney's Office in enforcing this Agreement on behalf of the City shall be considered as "attorneys' fees" for the purposes of this Agreement.

23. Responsibility for Errors. Consultant shall be responsible for its work and results under this Agreement. Consultant, when requested, shall furnish clarification and/or explanation as may be required by the City's representative, regarding any services rendered under this Agreement at no additional cost to City. In the event that an error or omission attributable to Consultant's professional services occurs, Consultant shall, at no cost to City, provide all other services necessary to rectify and correct the matter to the sole satisfaction of the City and to participate in any meeting required with regard to the correction.

24. Prohibited Employment. Consultant shall not employ any current employee of City to perform the work under this Agreement while this Agreement is in effect.

25. Costs. Each Party shall bear its own costs and fees incurred in the preparation and negotiation of this Agreement and in the performance of its obligations hereunder except as expressly provided herein.

26. Documents. Except as otherwise provided in "Termination or Abandonment," above, all original field notes, written reports, Drawings and

EXHIBIT B

Specifications and other documents, produced or developed for the Project shall, upon payment in full for the services described in this Agreement, be furnished to and become the property of the City.

27. Organization. Consultant shall assign **Carl Ilg** as Project Manager. The Project Manager shall not be removed from the Project or reassigned without the prior written consent of the City.

28. Limitation of Agreement. This Agreement is limited to and includes only the work included in the Project described above.

29. Notice. Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to the following addresses and shall be effective upon receipt thereof:

CITY:

City of San Bernardino
Vanir Tower, 290 North D Street
San Bernardino, CA 92401
Attn: Andrea Russell, Director of
Human Resources &
Risk Management

CONSULTANT:

Black and Rose, LLP
8301 Von Karman Avenue, Ste. 300
Irvine, CA 92612
Attn: Carl Ilg, Partner
Attorney

With Copy To:

City of San Bernardino
Vanir Tower, 290 North D Street
San Bernardino, CA 92401
Attn: City Attorney

30. Third Party Rights. Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the City and the Consultant.

31. Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

32. Entire Agreement. This Agreement, including Exhibit "A," represents the entire understanding of City and Consultant as to those matters contained herein, and supersedes and cancels any prior or contemporaneous oral or written understanding,

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promises or representations with respect to those matters covered hereunder. Each Party acknowledges that no representations, inducements, promises, or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. This is an integrated Agreement.

33. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal, or unenforceable for any reason, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending provision in any other circumstance, and the remaining provisions of this Agreement shall remain in full force and effect.

34. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, executors, administrators and assigns of each Party to this Agreement. However, Consultant shall not assign or transfer by operation of law or otherwise any or all of its rights, burdens, duties or obligations without the prior written consent of City. Any attempted assignment without such consent shall be invalid and void.

35. Non-Waiver. The delay or failure of either Party at any time to require performance or compliance by the other Party of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the Party against whom enforcement of a waiver is sought. The waiver of any right or remedy with respect to any occurrence or event shall not be deemed a waiver of any right or remedy with respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

36. Time of Essence. Time is of the essence for each and every provision of this Agreement.

37. Headings. Paragraphs and subparagraph headings contained in this Agreement are included solely for convenience and are not intended to modify, explain, or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

38. Amendments. Only a writing executed by all of the Parties hereto or their respective successors and assigns may amend this Agreement.

39. City's Right to Employ Other Consultants. City reserves its right to employ other consultants, including engineers, in connection with this Project or other projects.

40. Prohibited Interests. Consultant maintains and warrants that it has neither employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of

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this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no official, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

41. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one single Agreement.

42. Authority. The persons executing this Agreement on behalf of the Parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said Parties and that by doing so, the Parties hereto are formally bound to the provisions of this Agreement.

43. Electronic Signature. Each Party acknowledges and agrees that this Agreement may be executed by electronic or digital signature, which shall be considered as an original signature for all purposes and shall have the same force and effect as an original signature.

[SIGNATURES ON FOLLOWING PAGE]

**SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF SAN BERNARDINO
AND BLACK AND ROSE, LLP**

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

CITY OF SAN BERNARDINO

CONSULTANT

APPROVED BY:

Rochelle Clayton
Acting City Manager

Signature

Carl Ilg
Name

ATTESTED BY:

Genoveva Rocha, CMC
City Clerk

Partner Attorney
Title

APPROVED AS TO FORM:

Best Best & Krieger LLP
City Attorney

EXHIBIT A

**SCOPE OF WORK
WORKERS' COMPENSATION LEGAL SERVICES**

The scope of work includes completion of the services and deliverables listed below.

WORKERS' COMPENSTION LEGAL SERVICES

I. PURPOSE

The City of San Bernardino's Human Resources Department ("City") desires to retain a panel of attorneys who specialize in Workers' Compensation litigation.

II. SPECIFICATIONS

- A. The City would like to contract with "Best-in-Class" law firms to provide workers' compensation litigation services. Vendors should demonstrate creative and effective litigation strategies, has expertise in temporary disability/causation medical consultation, rehabilitation/supplemental job displacement benefits voucher (SJDB), Agreed Medical Examiner (AME), Panel Qualified Medical Examiner (PQME), and case settlement.

1. Case Referrals

New case referrals will be assigned by the City's Risk Management Division. Within five (5) business days upon referral of new cases, the Consultant shall send an email to the City's Risk Management Division and the TPA acknowledging receipt of the file, confirming the designated attorney(s) assigned to the file, and disclosure of any conflicts of interest. The case acknowledgment email represents a non-billable event.

If available at the time of a new case referral, City's Risk Management Division and/or the TPA transmittal shall include:

- All Division of Workers' Compensation notices and filings
- Personnel file
- Wage statement
- Job description or job analysis
- Claimant's occupation, department, and supervisor contact information
- Summary of claim and status
- Medical reports for the injury
- Investigative reports
- Claim payment history (medical and indemnity)
- Legal notices or filings, including TPA responses
- Case file notes
- Specific issues requiring defense
- Related information from the City's Risk Management Division regarding issues that may impact strategy

2. Reporting Requirements

The retained Consultant(s) shall observe the following guidelines for reporting and communication:

- Reports shall be as brief.
- Timely and pertinent status reports shall address only new development following a brief history.
- Reports shall point out key information contained in any attachments with an explanation of its significance to the case. Voluminous records only need be summarized, unless requested by the City's Risk Management Division, the TPA or the City's General Counsel.
- Email is the preferred method of communication.
-

Following the case acknowledgement, reporting requirements shall include:

- Initial Report - due within thirty (30) days of case referral
 - Report contents must include:
 - Analysis - A written analysis of the case which provides the initial evaluation of the case and identifies the strengths and weaknesses of the case. It shall include:
 - a. Summary of the claim.
 - b. Legal opinion of compensability, whether the case should be tried or settled.
 - c. Pertinent statutes and/or case law.
 - d. An estimated settlement range or verdict range.
 - Investigation - The Consultant(s) shall identify any additional information needed to establish defenses in the action. To the extent possible, this investigation and information gathering shall be done by the TPA.
 - Strategy – Consultant(s) shall define the strategy to be used in each claim including:
 - a. The anticipated course of action to be taken.
 - b. The factors or elements which must be proved or disproved and the necessary discovery to establish these defenses or proof.
 - c. The timing of discovery, filing of motions, negotiations, or other objectives.
 - d. The tactics to be used in defending the case and the advantages to be gained using these tactics.
 - e. If applicable, counsel will specifically address available defenses under California statutes.
- Litigation Budget - due with the Initial Report and with Status Reports
 - A litigation budget shall be provided with the initial report listing Consultant(s) best estimate for costs associated with those activities

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outlined in the initial report.

- Status Update – due bi-weekly
 - Consultant(s) shall provide brief status updates to the City's Risk Management Division bi-weekly to include the most up to date information pertaining to the case. Updates can be provided in written format, via an in-person or virtual meeting.
- Status Reports - due every ninety (90) days
 - Consultant(s) shall provide concise status updates to the TPA and the City's Risk Management Division whenever events change any fact, judgment or opinion bearing on the case. Status updates should be provided every ninety (90) days, even if there has been no activity. Reports should not repeat previously reported events. Reports shall include:
 - a. Discovery completed, including deposition summaries.
 - b. Current evaluation of the case.
 - c. Current estimate of medical and indemnity exposure.
 - d. Settlement demand and offer, if any.
 - e. Significant discovery planned for the next three months to include recommended use of independent medical examinations, utilization review, and expert medical advisors.
 - f. Suitability of dispositive motions.
 - g. Budget through current stage with explanation of budget deviations.
 - h. Other significant changes.
 - i. Timeline for resolution.
- Pre-Settlement Conference/Mediation Report - due twenty-one (21) days in advance
 - Consultant(s) shall notify the TPA and the City's Risk Management Division of a settlement conference, mediation or trial as soon as the date is set. Mediations may be attended by the City's Risk Management Division who must be contacted reasonably in advance of scheduling a settlement conference or mediation to determine availability.
 - Pre-mediation report to the City's Risk Management Division and the TPA should include:
 - a. A brief synopsis of the case
 - b. Consultant(s) opinion as to the strengths and weaknesses of the case and associated exposure
 - c. Potential settlement range for the case
 - d. Consultant(s) opinion as to the outcome
 - e. Next steps should the case not settle
 - f. Updated litigation budget
- Pre-Hearing Report - due thirty (30) days before hearing
 - Thirty (30) days prior to a hearing, Consultant(s) shall submit a detailed

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pre-hearing report to the City's Risk Management Division and the TPA that should include an analysis of the issues, associated exposure, chances of prevailing, comments regarding jurisdiction and the assigned Judge of Compensation Claims, and possibility of resolving prior to a hearing. If resolution is possible, the Consultant(s) shall confer with the Consultant(s) Risk Management Division and the TPA to determine how the case can be reasonably resolved without unnecessary costs.

- Post-Settlement Conference/Mediation/Hearing Report - due five (5) days after
 - Five (5) days post settlement conference, mediation or hearing, Consultant(s) shall submit a brief written summary or schedule a conference call with the TPA and the City's Risk Management Division to discuss results and next steps.

3. General Litigation Guidelines

- Discovery
 - The method of discovery utilized shall be that which obtains the information required at the least cost and in the most efficient manner. The Consultant(s) shall not schedule depositions without first giving due consideration to the value of sworn or other recorded testimony in lieu of a deposition. Unless special circumstances exist, deposition transcripts other than that of the applicant shall not be ordered unless or until it is reasonably certain that the case will be tried, or they are needed for dispositive court filings such as motions for summary judgment. Decisions to proceed with discovery shall be made jointly by the Consultant(s), the City's Risk Management Division and the TPA, considering the purpose, value of information sought, cost of proposed Discovery, and degree of potential for adverse consequences. Direct contact with the Departmental Employees shall be made with consent of and coordination through the City's Risk Management Division.
- Use of Experts
 - The Consultant(s) must obtain authority and approval from the City's Risk Management Division of all experts, including those retained to perform independent medical examinations or expert medical advisors, to assist with the defense of the case. Experts shall be retained by the Consultant(s) only after discussion with and approval of the City's Risk Management Division and the TPA. The discussion shall include the objectives of retaining the expert, the expert's qualifications and fees, the anticipated benefits, and a determination of the point in time when the expert's use may be most effective.
- Settlements (Global)
 - In all cases, the Consultant(s) shall provide realistic options including

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compromise and settlement, and identify which option it believes to be best, comment on the reasonableness of a settlement demand and recommend a response. The Consultant(s) shall obtain authority for, and approval of all settlement offers or advanced payments before they are submitted to claimant's counsel, the Division of Workers' Compensation and/or its Appeals Board, or mediator, in accordance with City's Settlement Guidelines. Settlement demands made by claimant or claimant's counsel, and any counter offers, shall be communicated to the City's Risk Management Division and the TPA immediately. The Consultant(s) is not authorized to act independently of any delegation of authority provided through the City's Risk Management Division. The City's Risk Management Division may consider settlement negotiations outside of formal mediations or settlement conferences but shall require up to thirty (30) days for the delegation of authority process for approval of settlement evaluations.

- Upon case resolution, the Consultant(s) shall submit a brief final summary in an email to the City's Risk Management Division and the TPA. This communication shall include copies of the signed settlement agreement, general release and resignation, settlement check due date with complete payable to and Tax ID information to include a copy of the claimant's law firm's W-9, along with any other documents or information that support resolution of an issue or the case in its entirety. Upon final conclusion and receipt of the settlement check, and approved settlement agreement, the Consultant(s) shall close its file and submit the final billing for each case in the next billing period.
- Multi-Forum, Fraudulent, and Overlapping Claims
 - Coordination and sharing of information from litigated liability claims with the City's Risk Management Division, the City's general counsel and workers' compensation attorneys are expected in cases where there is exposure to potential liability in other legal venues, such as EEOC claims, disability retirement program, workers' compensation claims (overlapping), disability insurance, Medicare Set Aside, and Structured Settlement companies. The Consultant(s) is expected to work collaboratively with the City's other defense counsel to develop strategies to resolve liabilities globally.
 - The Consultant(s) shall cooperate in the investigation of potentially fraudulent claims reported to the California Department of Insurance Fraud Division upon lawful request of this entity and in the recovery of Workers' Compensation monies.
- Appeals, Continuances, Waivers
 - The Consultant(s) must obtain authority from the City's Risk Management Division before filing a petition for reconsideration with the Appeals Board or filing a Writ of Review at the Appellate or Supreme

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Court level.

- The Consultant(s) must obtain approval before waiving any rights of the City, such as third-party recovery, causes of action against a third party, restitution, settlement of liens and collateral benefits, such as the City's health, dental, and leave benefits. Under no circumstances may the Consultant(s) make any agreement regarding retirement benefits.
 - The Consultant(s) must coordinate requests for continuances or extensions of timelines or deadlines, other than routine discovery, in advance with the City's Risk Management Division.
- Subrogation
 - The Consultant(s) and the City's Risk Management Division shall consider the following factors in determining if subrogation shall be utilized and, if so, the strategy to be employed:
 - a. In consultation with the City's Risk Management Division, an assessment of whether there are other business reasons or relationships which might affect a decision to subrogate;
 - b. What the expected recovery amount is compared to the legal costs to affect such recovery;
 - c. The effect on potential recovery of third-party liability and comparative fault by employee and employer;
 - d. Legal action available to or taken by the injured party;
 - e. The possibility of a statute of limitations defense; and
 - f. The status and potential value of the workers' compensation case.
 - Settlement of third-party cases fall within the same authorization guidelines as all other workers' compensation settlements. Non-workers' compensation recoverable losses shall be considered, such as sick leave, Family Medical Leave Act (FMLA) salary continuation, property damage, and other insurance.

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VENDOR QUOTE FORM

VENDOR NAME: Black and Rose, LLP
ADDRESS: 18301 Von Karman Avenue, Suite 300 Irvine, CA 92612
PHONE: 949-435-4260

The undersigned, hereby declare that they have carefully examined the location of the proposed work, familiarized themselves with the local conditions affecting the cost of the work, and have read and examined the terms and conditions for the following Project:

WORKERS' COMPENSATION LEGAL SERVICES

The undersigned, hereby propose to furnish all labor, materials, equipment, tools, transportation, and services, and to discharge all duties and obligations necessary and required to perform and complete the Project in strict accordance with the Vendor Price Quote for the ELECTRONICALLY SUBMITTED TOTAL VENDOR QUOTE PRICE.

Description	Total Amount
Partner Attorney rate per hour	\$190.00
Associate Attorney rate per hour	\$175.00
Paralegal rate per hour	\$120.00
*all rates listed billed at a minimum breakdown rate of 6 minutes	

I hereby declare under penalty of perjury that the foregoing is true and correct.

Submitted By: Justin Norberg
(Authorized Representative Signature)

Print Name: Justin Norberg

Title: Marketing Director

Contractor's License Number and Classification: _____

DIR Registration Number (if Applicable): _____