



RECEIVED  
CITY OF CLEARWATER

DEC 03 2020

RISK MANAGEMENT  
9173

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## **CLAIMS SERVICE CONTRACT**

City of Clearwater, FL (hereinafter referred to as "Client") located at 100 S. Myrtle Avenue, Clearwater, FL agrees that Sedgwick Claims Management Services, Inc. (hereinafter referred to as "Contractor" or "Sedgwick") located at 8125 Sedgwick Way, Memphis, TN 38125, will provide claims administration services for Client's Auto & General Liability claims reported from October 1, 2020 to and including September 30, 2021.

### **WITNESSETH THAT:**

1. **WHEREAS**, Client has elected to administrate its claims program in the State(s) of Florida.
2. **WHEREAS**, Contractor provides claims administration and other related services.
3. **WHEREAS**, Client has selected Contractor to provide designated services for the described program.
4. **NOW, THEREFORE**, be it agreed that Client and Contractor have agreed to enter into this Contract.

### **I. DUTIES AND OBLIGATIONS OF CONTRACTOR**

- A. Contractor shall investigate, evaluate and handle each claim reported under this Contract until each claim is concluded or this contracted relationship



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between Client and Contractor expires, whichever occurs first (hereinafter referred to as "Claim Handling Obligation Period").

- B. Contractor shall have lump sum settlement authority of \$ - 0 - per claimant.
- C. Contractor will provide a Client Service Representative to be the interface for set-up and ongoing relations with Client.

## **II. DUTIES AND OBLIGATIONS OF CLIENT**

- A. Client agrees that all claims occurring during the term of this Contract will be reported to the Contractor, unless otherwise agreed with Client. Client will provide all information relevant to Client's claims to Contractor in order for Contractor to fulfill its duties and obligations as set out in this Contract.
- B. Client agrees to compensate Contractor for Services at the rate of \$147.00 per hour. In addition, the following fees will also be charged: (1) Ordinary Office Expenses will be calculated at 18% of Services, has been waived for this contract (2) Reporting Purpose Only Fee will be 85.00 per file, and (3) Any applicable sales taxes or other jurisdiction fees. All invoices are due and payable to Sedgwick, 2897 Momentum Place, Chicago, IL 60689, within twenty (20) days of Contractors invoice date.

Service Fees exclude any claim handled outside the Continental United States, which will be handled for Time and Expense at Contractor's prevailing rates at time and place of activity.



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Service Fees exclude "Allocated Expenses", including those provided direct by Contractor, all of which will be paid by Client. "Allocated Expenses" include the following:

- Attorneys, court costs, fees for service of process and other related expenses
- Independent medical exams and medical records/reports
- All outside activity to complete field investigation by Contractor's adjusters
- Outside experts and sub-contractors, including private investigation
- Transcripts and public records
- Depositions, court reporters, video statements, and transcription costs
- Other extraordinary expenses including but not limited to photocopying (excess of 25 copies per file), travel, express mail, public records and similar expenses as may be incurred by Contractor in fulfilling its obligation

Client agrees that Contractor will have the right to renegotiate the Service Fees in the event of statutory, regulatory or judicial changes that require additional activities not contemplated at the inception of this Contract.

Service fees will not exceed \$100,000.00 for this contract period.

- C. Client reserves right to take over the handling and control of any claim at any time for any reason but with no expense or reduction in claim service fees or allocated claim expenses incurred by Contractor.





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- D. Client agrees that closed files will be retained in their existing state at time closed for a period of three years from date of last file activity by Contractor; after which, at Client's option, files will be either returned to Client at Client's expense, or stored at Contractor's prevailing monthly fee which will be billed to Client.

### III. **MUTUAL DUTIES AND OBLIGATIONS**

#### A. **Reciprocal Indemnity Agreements**

1. Client agrees to defend, indemnify and hold harmless Contractor against all claims, demands, proceedings, actions, damages, costs and expenses to which Contractor may be subjected as a consequence of fulfilling its obligations under this Contract or as directed by Client or its employees, if not caused solely by the negligent acts, errors or omissions of Contractor.
2. Contractor agrees to defend, indemnify and hold harmless Client against all claims, demands, proceedings, actions, damages, costs and expenses to which Client may be subjected solely as a consequence of negligent acts, errors or omissions of Contractor.

- B. **Excess Reporting.** Contractor will not assume the responsibility for notification to any excess insurance carrier of claims, however, reports will be provided as required.

- C. **Cancellation.** Either party may cancel this Contract hereto upon the happening of any of the following events:



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1. Sixty (60) days with prior written notice;
2. Immediately upon bankruptcy, insolvency or reorganization for the benefit of creditors of either party;
3. Immediately upon default in the payment of any indebtedness under this Contract;
4. Immediately upon failure of either party to remedy a breach of contract and provide evidence thereof within thirty (30) days after receipt of written notice from the other party.

This right of cancellation belonging to either may be exercised without prejudice to any other remedy to which it may be entitled at law or under this Contract.

- D. **Arbitration.** Any controversy or claim arising out of this Contract, or breach thereof, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. Any claim made as a result of the relationship established by this Contract must be initiated by either party within four years from date of Contract expiration.
- E. **Notices.** Notices to be given under this Contract shall be in writing and shall be deemed sufficient if delivered to the addresses of the parties to this Contract as stated in this Contract.
- F. **Governing Law.** This Contract shall be governed by the laws of the State of Florida.



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- G. **Amendment.** This Contract may be modified or amended only in writing and signed by both parties to this Contract.
- H. **Severability.** Should any provision of this Contract be declared or determined by any Court to be illegal or invalid, the validity of the remaining parts, terms or provisions shall not be affected thereby and said illegal part, term or provision shall be deemed not to be a part of this Contract.
- I. **Entire Contract.** This Contract, together with the exhibits attached hereto, constitutes the entire Contract between the parties with respect to the subject matter hereof, and other written or oral prior agreements, contracts, proposals, representations, statements, negotiations, understandings, or assurances, are superseded hereby.



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**IN WITNESS WHEREOF**, Client and Contractor have caused this Contract to be executed by persons authorized to act in their respective names.

Countersigned:

*Frank Hibbard*  
Frank Hibbard  
Mayor

Approved as to form:

*Dick Hull*  
Dick Hull  
Assistant City Attorney

CITY OF CLEARWATER, FLORIDA

By: *William B. Horne II*  
William B. Horne II  
City Manager

Attest:

*Rosemarie Call*  
Rosemarie Call  
City Clerk



Sedgwick Claims Management Services, Inc.  
(Contractor)

By: *Michael Shook*  
Michael V. Shook  
Senior Vice President

07/01/19  
RCH





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### **Exhibit – One**

**SECTION B IS ONLY REQUIRED IF THE VENDOR IS ACTING AS AN AGENT OF THE CITY, OTHERWISE DELETE SECTION B. THIS IS A VERY RARE OCCURENCE, PLEASE CHECK WITH YOUR ATTORNEY IF YOU ARE NOT SURE.**

- A. Retention of Records: The Consultant will be required to comply with Section 119.0701, Florida Statutes, specifically to:
- a. Keep and maintain public records required by the City of Clearwater to perform the service;
  - b. Upon request from the City's Custodian of Records, provide the City of Clearwater with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119 or as otherwise provided by law;
  - c. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of





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the contract if the contractor does not transfer to the City of Clearwater; and

- d. Upon completion of the contract, transfer, at no cost, to the City of Clearwater all public records in possession of the contractor or keep and maintain public records required by the City of Clearwater to perform the service. If the Consultant transfers all public records to the City of Clearwater upon completion of the contract, the Consultant shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Consultant keeps and maintains public records upon completion of the contract, the Consultant shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the City of Clearwater, upon request from the City of Clearwater's Custodian of Public Records, in a format that is compatible with the information technology systems of the City of Clearwater.



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IF THE CONSULTANT HAS QUESTIONS REGARDING THE APPLICATION OF  
CHAPTER 119, FLORIDA STATUTES, TO THE CONSULTANT'S DUTY TO  
PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT  
THE CUSTODIAN OF PUBLIC RECORDS, ROSEMARIE CALL AT 727-562-  
4090, [rosemarie.call@myclearwater.com](mailto:rosemarie.call@myclearwater.com), and/or 112 S. Osceola Ave.,  
Clearwater, FL, 33617