



**AGENDA OF A SPECIAL MEETING  
NATIONAL CITY CITY COUNCIL**

**COUNCIL CHAMBERS  
CIVIC CENTER  
1243 NATIONAL CITY BOULEVARD  
NATIONAL CITY, CALIFORNIA**

**TUESDAY, FEBRUARY 4, 2020, 5:00 PM**

**ALEJANDRA SOTELO-SOLIS**

*Mayor*

**MONA RIOS**

*Vice Mayor*

**JERRY CANO**

*Councilmember*

**RON MORRISON**

*Councilmember*

**GONZALO QUINTERO**

*Councilmember*

**ORDER OF BUSINESS:** Public sessions of all Regular Meetings of the City Council / Community Development Commission - Housing Authority (hereafter referred to as Elected Body) begin at 6:00 p.m. on the first and third Tuesday of each month. Public Hearings begin at 6:00 p.m., unless otherwise noted. Special Meetings begin in Open Session at 5:00 p.m., or such other time as noted, and after announcing closed session items, convenes into a Closed Meeting. If a workshop is scheduled, the subject and time of the workshop will appear on the agenda. The Mayor and Council members also sit as the Chairperson and Members of the Board of the Community Development Commission (CDC).

**REPORTS:** All open session agenda items and reports as well as all documents and writings distributed to the Elected Body less than 72 hours prior to the meeting, are available for review at the entry to the Council Chambers. Regular Meetings of the Elected Body are webcast and archived on the City's website:

**[www.nationalcityca.gov](http://www.nationalcityca.gov).**

**PUBLIC COMMENTS:** Prior to the Business portion of the agenda, the Elected Body will receive public comments regarding any matters within the jurisdiction of the City and/or the Community Development Commission. Members of the public may also address any item on the agenda at the time the item is considered by the Elected Body. Persons who wish to address the Elected Body are requested to fill out a "Request to Speak" form available at the entrance to the City Council Chambers, and turn in the completed form to the City Clerk. The Mayor or Chairperson will separately call for testimony of those persons who have turned in a "Request to Speak" form. If you wish to speak, please step to the podium at the appropriate time and state your name and address (optional) for the record. The time limit established for public testimony is three minutes per speaker unless a different time limit is announced. Speakers are encouraged to be brief. The Mayor or Chairperson may limit the length of comments due to the number of persons wishing to speak, or if comments become repetitious or irrelevant.

*1243 National City Blvd.  
National City  
619-336-4240*

*Meeting agendas and  
minutes available on web*

**[WWW.NATIONALCITYCA.GOV](http://WWW.NATIONALCITYCA.GOV)**

**WRITTEN AGENDA:** With limited exceptions, the Elected Body may take action only upon items appearing on the written agenda. Items not appearing on the agenda must be brought back on a subsequent agenda unless they are of a demonstrated emergency or urgent nature, and the need to take action on such items arose after the agenda was posted.

**CONSENT CALENDAR:** Consent calendar items involve matters which are of a routine or noncontroversial nature. All consent items are adopted by approval of a single motion by the City Council. Prior to such approval, any item may be removed from the consent portion of the agenda and separately considered, upon request of a Councilmember, a staff member, or a member of the public.

Upon request, this agenda can be made available in appropriate alternative formats to persons with a disability in compliance with the Americans with Disabilities Act. Please contact the City Clerk's Office at (619) 336-4228 to request a disability-related modification or accommodation. Notification 24-hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

*Spanish audio interpretation is provided during Elected Body Meetings. Audio headphones are available in the lobby at the beginning of the meeting.*

*Audio interpretación en español se proporciona durante sesiones del Consejo Municipal. Los audiófonos están disponibles en el pasillo al principio de la junta.*

**COUNCIL REQUESTS THAT ALL CELL PHONES AND PAGERS BE TURNED OFF DURING CITY COUNCIL MEETINGS.**

**OPEN TO THE PUBLIC**

**OPEN SESSION**

CALL TO ORDER

ROLL CALL

1. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE MAYOR TO EXECUTE A TWO YEAR AGREEMENT WITH HUB INTERNATIONAL INSURANCE SERVICES INC., FOR INSURANCE BROKERAGE SERVICES, EFFECTIVE FEBRUARY 1, 2020, FOR A TERM OF TWO YEARS WITH THE OPTION TO EXTEND BY ONE-YEAR INCREMENTS FOR UP TO AN ADDITIONAL THREE YEARS AS APPROVED BY THE CITY MANAGER. (Human Resources)

**CLOSED SESSION**

**PUBLIC MAY COMMENT ON CLOSED SESSION AGENDA ITEMS.**

2. Conference with Legal Counsel – Potential Litigation: Two Cases  
Potential Litigation Pursuant to Governmental Code Section 54956.9(d)(2)
3. Conference with Legal Counsel – Pending Litigation  
Existing Litigation under Government Code Section 54956.9(d)(1)  
*Sheena Sanders v. City of National City*  
Civil Action No. 20cv00085-AJB-BLM
4. Conference with Legal Counsel – Pending Litigation  
Existing Litigation under Government Code Section 54956.9(d)(1)  
*Carlsbad Police Officers Association et. al. v. City of Carlsbad, et al.*  
SDSC Case No. 37-2019-00005450-CU-WM-CTL

**ADJOURNMENT**

Next Regular City Council Meeting: Tuesday, February 4, 2020, 6:00 p.m., City Council Chambers, Civic Center – National City, California.

**CITY OF NATIONAL CITY, CALIFORNIA  
COUNCIL AGENDA STATEMENT**

**MEETING DATE:** February 4, 2020

**AGENDA ITEM NO.**

**ITEM TITLE:**

Resolution of the City Council of the City of National City authorizing the Mayor to execute a two-year Agreement with Hub International Insurance Services Inc., for insurance brokerage services effective February 1, 2020 with the option to extend by one year increments for up to an additional three years as approved by the City Manager.

**PREPARED BY:** Robert Meteau, Human Resources Director

**DEPARTMENT:** Human Resources

**PHONE:** 336-4308

**APPROVED BY:** 

**EXPLANATION:**

The proposed insurance service provider has changed to Hub International Insurance Services Inc., which was selected based upon their understanding of the industry in general, their comprehensive package of broker services and the staff support that been provided to the City. Under the terms of the proposed agreement, the firm will be paid on a commission basis, consistent with typical industry practices, with contract duration of two years with the ability to extend in one year increments for up to an additional three years.

**FINANCIAL STATEMENT:**

**APPROVED:** \_\_\_\_\_ **Finance**

**ACCOUNT NO.**

**APPROVED:** \_\_\_\_\_ **MIS**

Fees will be paid on a commission basis. Premiums are paid to the City's benefit providers. In turn, the providers pay a commission fee to the City's broker. Premiums are charged to departments based on a fixed cost distribution schedule.

**ENVIRONMENTAL REVIEW:**

This is not a project and is therefore not subject to environmental review.

**ORDINANCE:**    **INTRODUCTION:**     **FINAL ADOPTION:**

**STAFF RECOMMENDATION:**

Recommend Resolution Approval.

**BOARD / COMMISSION RECOMMENDATION:**

N/A

**ATTACHMENTS:**

Resolution  
Agreement

**AGREEMENT  
BY AND BETWEEN  
THE CITY OF NATIONAL CITY  
AND  
HUB INTERNATIONAL INSURANCE SERVICES INC.**

THIS AGREEMENT is entered into on this 1st day of February, 2020, by and between the CITY OF NATIONAL CITY, a municipal corporation (the "CITY"), and Hub International Insurance Services Inc., a California corporation, (the "CONSULTANT").

**RECITALS**

WHEREAS, the CITY desires to employ a CONSULTANT to provide Insurance Brokerage Services.

WHEREAS, the CITY has determined that the CONSULTANT is an insurance broker and is qualified by experience and ability to perform the services desired by the CITY, and the CONSULTANT is willing to perform such services.

NOW, THEREFORE, THE PARTIES HERETO DO MUTUALLY AGREE AS FOLLOWS:

1. **ENGAGEMENT OF CONSULTANT.** The CITY agrees to engage the CONSULTANT to provide insurance brokerage services, and the CONSULTANT agrees to perform the services set forth here in accordance with all terms and conditions contained herein.

The CONSULTANT represents that all services shall be performed directly by the CONSULTANT or under direct supervision of the CONSULTANT.

2. **EFFECTIVE DATE AND LENGTH OF AGREEMENT.** This Agreement will become effective on February 1, 2020. The duration of this Agreement is for the period of February 1, 2020 through January 31, 2022. This Agreement may be extended by mutual agreement upon the same terms and conditions for an additional one (1) year term. The Parties may exercise up to three one-year extensions through January 31, 2025. Any extension of this Agreement must be approved in writing by the City Manager.

3. **SCOPE OF SERVICES.** The CONSULTANT will perform those insurance brokerage services as set forth in the attached Exhibit "A". Disclosures applicable to CONSULTANT'S provision of these services are described in Exhibit "C".

The CONSULTANT shall be responsible for all research and reviews related to the work and shall not rely on personnel of the CITY for such services, except as authorized in advance by the CITY.

The CITY may unilaterally, or upon request from the CONSULTANT, from time to time reduce or increase the Scope of Services to be performed by the CONSULTANT under this Agreement. Upon doing so, the CITY and the CONSULTANT agree to meet in good faith and confer for the purpose of negotiating a corresponding reduction or increase in the compensation associated with said change in services.

4. **PROJECT COORDINATION AND SUPERVISION.** The Human Resources Director or his/her designee is hereby designated as the Project Coordinator for the CITY and will monitor the progress and execution of this Agreement. The CONSULTANT shall assign a single Project Director to provide supervision and have overall responsibility for the progress and execution of this Agreement for the CONSULTANT. Jesus Mendoza thereby is designated as the Project Director for the CONSULTANT.

5. **COMPENSATION AND PAYMENT.** The compensation for the CONSULTANT shall be based on monthly broker commissions built into the employee benefit plans CONSULTANT. CONSULTANT's commission is based upon percentages negotiated with the various insurance companies, and paid directly to the CONSULTANT by various insurance companies. The commission percentages and annual dollar equivalents shall be disclosed to CITY annually. CONSULTANT's commission shall not exceed current commission percentages being paid for plan year 2019 as described in Exhibit "B".

The CONSULTANT's compensation may be revised if the City requests a change in the Coverages and/or Services during the Term of this Agreement, and if both parties enter into a written agreement documenting any change in Coverages, Services, or compensation. In addition, if there is a material change in the risk or exposure base, or the overall number of employees, both parties may revise the compensation, in writing, upon further discussion.

The CONSULTANT shall maintain all, documents, papers accounting records, and other evidence pertaining to commission received, and shall make such materials available to CITY at all reasonable times during the term of this Agreement and for three (3) years from the date of final payment under this Agreement, for inspection by the CITY, and for furnishing of copies to the CITY, if requested.

6. **ACCEPTABILITY OF WORK.** The CITY shall decide any and all questions which may arise as to the quality or acceptability of the services performed and the manner of performance, the acceptable completion of this Agreement, and the amount of compensation due. In the event the CONSULTANT and the CITY cannot agree to the quality or acceptability of the work, the manner of performance and/or the compensation payable to the CONSULTANT in this Agreement, the CITY or the CONSULTANT shall give to the other written notice. Within ten (10) business days, the CONSULTANT and the CITY shall each prepare a report which supports their position and file the same with the other party. The CITY shall, with reasonable diligence, determine the quality or acceptability of the work, the manner of performance and/or the compensation payable to the CONSULTANT.

7. **DISPOSITION AND OWNERSHIP OF DOCUMENTS.** The Memoranda, Reports, Maps, Drawings, Plans, Specifications, and other documents prepared by the CONSULTANT for this project, whether paper or electronic, shall become the property of the CITY for use with respect to this project, and shall be turned over to the CITY upon completion of the project, or any phase thereof, as contemplated by this Agreement.

Contemporaneously with the transfer of documents, the CONSULTANT hereby assigns to the CITY, and CONSULTANT thereby expressly waives and disclaims any copyright in, and the right to reproduce, all written material, drawings, plans, specifications, or other work

prepared under this Agreement, except upon the CITY'S prior authorization regarding reproduction, which authorization shall not be unreasonably withheld. The CONSULTANT shall, upon request of the CITY, execute any further document(s) necessary to further effectuate this waiver and disclaimer.

The CONSULTANT agrees that the CITY may use, reuse, alter, reproduce, modify, assign, transfer, or in any other way, medium, or method utilize the CONSULTANT'S written work product for the CITY'S purposes, and the CONSULTANT expressly waives and disclaims any residual rights granted to it by Civil Code Sections 980 through 989 relating to intellectual property and artistic works.

Any modification or reuse by the CITY of documents, drawings, or specifications prepared by the CONSULTANT shall relieve the CONSULTANT from liability under Section 14, but only with respect to the effect of the modification or reuse by the CITY, or for any liability to the CITY should the documents be used by the CITY for some project other than what was expressly agreed upon within the Scope of Services of this project, unless otherwise mutually agreed.

8. **INDEPENDENT CONTRACTOR.** Both parties hereto in the performance of this Agreement will be acting in an independent capacity and not as agents, employees, partners, or joint venturers with one another. Neither the CONSULTANT nor the CONSULTANT'S employees are employees of the CITY, and are not entitled to any of the rights, benefits, or privileges of the CITY'S employees, including but not limited to retirement, medical, unemployment, or workers' compensation insurance.

This Agreement contemplates the personal services of the CONSULTANT and the CONSULTANT'S employees, and it is recognized by the parties that a substantial inducement to the CITY for entering into this Agreement was, and is, the professional reputation and competence of the CONSULTANT and its employees. Neither this Agreement nor any interest herein may be assigned by the CONSULTANT without the prior written consent of the CITY. Nothing herein contained is intended to prevent the CONSULTANT from employing or hiring as many employees, or SUBCONSULTANTS, as the CONSULTANT may deem necessary for the proper and efficient performance of this Agreement. All agreements by CONSULTANT with its SUBCONSULTANT(S) shall require the SUBCONSULTANT(S) to adhere to the applicable terms of this Agreement.

9. **CONTROL.** Neither the CITY nor its officers, agents, or employees shall have any control over the conduct of the CONSULTANT or any of the CONSULTANT'S employees, except as herein set forth, and the CONSULTANT or the CONSULTANT'S agents, servants, or employees are not in any manner agents, servants, or employees of the CITY, it being understood that the CONSULTANT its agents, servants, and employees are as to the CITY wholly independent CONSULTANT, and that the CONSULTANT'S obligations to the CITY are solely such as are prescribed by this Agreement.

10. **COMPLIANCE WITH APPLICABLE LAW.** The CONSULTANT, in the performance of the services to be provided herein, shall comply with all applicable state and federal statutes and regulations, and all applicable ordinances, rules, and regulations of the City

of National City, whether now in force or subsequently enacted. The CONSULTANT and each of its SUBCONSULTANT(S), shall obtain and maintain a current City of National City business license prior to and during performance of any work pursuant to this Agreement.

11. **LICENSES, PERMITS, ETC.** The CONSULTANT represents and covenants that it has all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice its profession. The CONSULTANT represents and covenants that the CONSULTANT shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement, any license, permit, or approval which is legally required for the CONSULTANT to practice its profession.

12. **STANDARD OF CARE.**

A. The CONSULTANT, in performing any services under this Agreement, shall perform in a manner consistent with that level of care and skill ordinarily exercised by members of the CONSULTANT'S trade or profession currently practicing under similar conditions and in similar locations. The CONSULTANT shall take all special precautions necessary to protect the CONSULTANT'S employees and members of the public from risk of harm arising out of the nature of the work and/or the conditions of the work site.

B. Unless disclosed in writing prior to the date of this Agreement, the CONSULTANT warrants to the CITY that it is not now, nor has it for the five (5) years preceding, been debarred by a governmental agency or involved in debarment, arbitration or litigation proceedings concerning the CONSULTANT'S professional performance or the furnishing of materials or services relating thereto.

C. The CONSULTANT is responsible for identifying any unique products, treatments, processes or materials whose availability is critical to the success of the project the CONSULTANT has been retained to perform, within the time requirements of the CITY, or, when no time is specified, then within a commercially reasonable time. Accordingly, unless the CONSULTANT has notified the CITY otherwise, the CONSULTANT warrants that all products, materials, processes or treatments identified in the project documents prepared for the CITY are reasonably commercially available. Any failure by the CONSULTANT to use due diligence under this sub-section will render the CONSULTANT liable to the CITY for any increased costs that result from the CITY'S later inability to obtain the specified items or any reasonable substitute within a price range that allows for project completion in the time frame specified or, when not specified, then within a commercially reasonable time.

13. **NON-DISCRIMINATION PROVISIONS.** The CONSULTANT shall not discriminate against any employee or applicant for employment because of age, race, color, ancestry, religion, sex, sexual orientation, marital status, national origin, physical handicap, or medical condition. The CONSULTANT will take positive action to insure that applicants are employed without regard to their age, race, color, ancestry, religion, sex, sexual orientation, marital status, national origin, physical handicap, or medical condition. Such action shall include but not be limited to the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The CONSULTANT agrees to post in



conspicuous places available to employees and applicants for employment any notices provided by the CITY setting forth the provisions of this non-discrimination clause.

14. **CONFIDENTIAL INFORMATION.** The CITY may from time to time communicate to the CONSULTANT certain confidential information to enable the CONSULTANT to effectively perform the services to be provided herein. The CONSULTANT shall treat all such information as confidential and shall not disclose any part thereof without the prior written consent of the CITY. The CONSULTANT shall limit the use and circulation of such information, even within its own organization, to the extent necessary to perform the services to be provided herein. The foregoing obligation of this Section 14, however, shall not apply to any part of the information that (i) has been disclosed in publicly available sources of information; (ii) is, through no fault of the CONSULTANT, hereafter disclosed in publicly available sources of information; (iii) is already in the possession of the CONSULTANT without any obligation of confidentiality; or (iv) has been or is hereafter rightfully disclosed to the CONSULTANT by a third party, but only to the extent that the use or disclosure thereof has been or is rightfully authorized by that third party.

The CONSULTANT shall not disclose any reports, recommendations, conclusions or other results of the services or the existence of the subject matter of this Agreement without the prior written consent of the CITY. In its performance hereunder, the CONSULTANT shall comply with all legal obligations it may now or hereafter have respecting the information or other property of any other person, firm or corporation.

CONSULTANT shall be liable to CITY for any damages caused by breach of this condition, pursuant to the provisions of Section 15.

15. **INDEMNIFICATION AND HOLD HARMLESS.** The CONSULTANT agrees to defend, indemnify and hold harmless the City of National City, its officers, officials, agents, employees, and volunteers against and from any and all liability, loss, damages to property, injuries to, or death of any person or persons, and all claims, demands, suits, actions, proceedings, reasonable attorneys' fees, and defense costs, of any kind or nature, including workers' compensation claims, of or by anyone whomsoever, resulting from or arising out of the CONSULTANT'S performance or other obligations under this Agreement; provided, however, that this indemnification and hold harmless shall not include any claims or liability arising from the established direct negligence or willful misconduct of the CITY, its agents, officers, employees or volunteers. CITY will cooperate reasonably in the defense of any action, and CONSULTANT shall employ competent counsel, reasonably acceptable to the City Attorney.

The indemnity, defense, and hold harmless obligations contained herein shall survive the termination of this Agreement for any alleged or actual omission, act, or negligence under this Agreement that occurred during the term of this Agreement.

16. **WORKERS' COMPENSATION.** The CONSULTANT shall comply with all of the provisions of the Workers' Compensation Insurance and Safety Acts of the State of California, the applicable provisions of Division 4 and 5 of the California Labor Code and all amendments thereto; and all similar State or federal acts or laws applicable; and shall indemnify, and hold harmless the CITY and its officers, employees, and volunteers from and against all

claims, demands, payments, suits, actions, proceedings, and judgments of every nature and description, including reasonable attorney's fees and defense costs presented, brought or recovered against the CITY or its officers, employees, or volunteers, for or on account of any liability under any of said acts which may be incurred by reason of any work to be performed by the CONSULTANT under this Agreement.

17. **INSURANCE.** The CONSULTANT, at its sole cost and expense, shall purchase and maintain, and shall require its SUBCONSULTANT(S), when applicable, to purchase and maintain throughout the term of this Agreement, the following insurance policies:

A.  If checked, **Professional Liability Insurance** (errors and omissions) with minimum limits of \$1,000,000 per occurrence and in the annual aggregate

B. **Automobile Insurance** covering all bodily injury and property damage incurred during the performance of this Agreement, with a minimum coverage of \$1,000,000 combined single limit per accident. Such automobile insurance shall include owned, non-owned, and hired vehicles ("any auto"). The policy shall name the CITY and its officers, agents, employees, and volunteers as additional insureds, and a separate additional insured endorsement shall be provided.

C. **Commercial General Liability Insurance**, with minimum limits of either \$2,000,000 per occurrence and \$4,000,000 aggregate, or \$1,000,000 per occurrence and \$2,000,000 aggregate with a \$2,000,000 umbrella policy, covering all bodily injury and property damage arising out of its operations, work, or performance under this Agreement. The policy shall name the CITY and its officers, agents, employees, and volunteers as additional insureds

D. **Workers' Compensation Insurance** in an amount sufficient to meet statutory requirements covering all of CONSULTANT'S employees and employers' liability insurance with limits of at least \$1,000,000 per occurrence. In addition, the policy shall be endorsed with a waiver of subrogation in favor of the CITY. Said endorsement shall be provided prior to commencement of work under this Agreement.

If CONSULTANT has no employees subject to the California Workers' Compensation and Labor laws, CONSULTANT shall execute a Declaration to that effect. Said Declaration shall be provided to CONSULTANT by CITY.

E. The aforesaid policies shall constitute primary insurance as to the CITY, its officers, officials, employees, and volunteers, so that any other policies held by the CITY shall not contribute to any loss under said insurance. Best endeavors will be made to provide for thirty (30) days prior written notice to the CITY's Risk Manager, at the address listed in subsection G below, of cancellation or material change.

F. If required insurance coverage is provided on a "claims made" rather than "occurrence" form, the CONSULTANT shall maintain such insurance coverage for three years after expiration of the term (and any extensions) of this Agreement. In addition, the "retro" date must be on or before the date of this Agreement.

G. The Certificate Holder for all policies of insurance required by this Section shall be:

City of National City  
c/o Risk Manager  
1243 National City Boulevard  
National City, CA 91950-4397

H. Insurance shall be written with only insurers authorized to conduct business in California underwritten with responsible insurance companies of recognized standing and having an A.M. Best's Rating of at least "A-" or better. In the event coverage is provided by non-admitted "surplus lines" carriers, they must be included on the most recent California List of Eligible Surplus Lines Insurers (LESLI list) and otherwise meet rating requirements.

I. This Agreement shall not take effect until certificate(s) or other sufficient proof that these insurance provisions have been complied with, are filed with and approved by the CITY'S Risk Manager. If the CONSULTANT does not keep all of such insurance policies in full force and effect at all times during the terms of this Agreement, the CITY may elect to treat the failure to maintain the requisite insurance as a breach of this Agreement and terminate the Agreement as provided herein.

J. If the CONSULTANT maintains broader coverage or higher limits (or both) than the minimum limits shown above, the CITY requires and shall be entitled to the broader coverage or higher limits (or both) maintained by the CONSULTANT. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the CITY.

18. **LEGAL FEES.** If any party brings a suit or action against the other party arising from any breach of any of the covenants or agreements or any inaccuracies in any of the representations and warranties on the part of the other party arising out of this Agreement, then in that event, the prevailing party in such action or dispute, whether by final judgment or out-of-court settlement, shall be entitled to have and recover of and from the other party all costs and expenses of suit, including attorneys' fees.

For purposes of determining who is to be considered the prevailing party, it is stipulated that attorney's fees incurred in the prosecution or defense of the action or suit shall not be considered in determining the amount of the judgment or award. Attorney's fees to the prevailing party if other than the CITY shall, in addition, be limited to the amount of attorney's fees incurred by the CITY in its prosecution or defense of the action, irrespective of the actual amount of attorney's fees incurred by the prevailing party.

19. **TERMINATION.**

A. This Agreement may be terminated with or without cause by the CITY. Termination without cause shall be effective only upon 60-day's written notice to the CONSULTANT. During said 60-day period the CONSULTANT shall perform all services in accordance with this Agreement.

B. This Agreement may also be terminated immediately by the CITY for cause in the event of a material breach of this Agreement, misrepresentation by the CONSULTANT in connection with the formation of this Agreement or the performance of services, or the failure to perform services as directed by the CITY.

C. Termination with or without cause shall be effected by delivery of written Notice of Termination to the CONSULTANT as provided for herein.

D. In the event of termination, all finished or unfinished Memoranda Reports, Maps, Drawings, Plans, Specifications and other documents prepared by the CONSULTANT, whether paper or electronic, shall immediately become the property of and be delivered to the CITY, and the CONSULTANT shall be entitled to receive just and equitable compensation for any work satisfactorily completed on such documents and other materials up to the effective date of the Notice of Termination, not to exceed the amounts payable hereunder, and less any damages caused the CITY by the CONSULTANT'S breach, if any. Thereafter, ownership of said written material shall vest in the CITY all rights set forth in Section 7.

E. The CITY further reserves the right to immediately terminate this Agreement upon: (1) the filing of a petition in bankruptcy affecting the CONSULTANT; (2) a reorganization of the CONSULTANT for the benefit of creditors; or (3) a business reorganization, change in business name or change in business status of the CONSULTANT.

20. **NOTICES.** All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered; or sent by overnight mail (Federal Express or the like); or sent by registered or certified mail, postage prepaid, return receipt requested; or sent by ordinary mail, postage prepaid; or telegraphed or cabled; or delivered or sent by telex, telecopy, facsimile or fax; and shall be deemed received upon the earlier of (i) if personally delivered, the date of delivery to the address of the person to receive such notice, (ii) if sent by overnight mail, the business day following its deposit in such overnight mail facility, (iii) if mailed by registered, certified or ordinary mail, five (5) days (ten (10) days if the address is outside the State of California) after the date of deposit in a post office, mailbox, mail chute, or other like facility regularly maintained by the United States Postal Service, (iv) if given by telegraph or cable, when delivered to the telegraph company with charges prepaid, or (v) if given by telex, telecopy, facsimile or fax, when sent. Any notice, request, demand, direction or other communication delivered or sent as specified above shall be directed to the following persons:

To CITY: Human Resources Director  
Human Resources Department  
City of National City  
140 East 12<sup>th</sup> Street, Suite A  
National City, CA 91950-4301

To CONSULTANT:  
Jesus Mendoza  
Senior Vice President  
Hub International Insurance Services Inc.  
9855 Scranton Road, Suite 100  
San Diego, CA 92121

Notice of change of address shall be given by written notice in the manner specified in this Section. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to constitute receipt of the notice, demand, request or communication sent. Any notice, request, demand, direction or other communication sent by cable, telex, telecopy, facsimile or fax must be confirmed within forty-eight (48) hours by letter mailed or delivered as specified in this Section.

21. **CONFLICT OF INTEREST AND POLITICAL REFORM ACT OBLIGATIONS.** During the term of this Agreement, the CONSULTANT shall not perform services of any kind for any person or entity whose interests conflict in any way with those of the City of National City. The CONSULTANT also agrees not to specify any product, treatment, process or material for the project in which the CONSULTANT has a material financial interest, either direct or indirect, without first notifying the CITY of that fact. The CONSULTANT shall at all times comply with the terms of the Political Reform Act and the National City Conflict of Interest Code. The CONSULTANT shall immediately disqualify itself and shall not use its official position to influence in any way any matter coming before the CITY in which the CONSULTANT has a financial interest as defined in Government Code Section 87103. The CONSULTANT represents that it has no knowledge of any financial interests that would require it to disqualify itself from any matter on which it might perform services for the CITY.

If checked, the CONSULTANT shall comply with all of the reporting requirements of the Political Reform Act and the National City Conflict of Interest Code. Specifically, the CONSULTANT shall file a Statement of Economic Interests with the City Clerk of the City of National City in a timely manner on forms which the CONSULTANT shall obtain from the City Clerk.

The CONSULTANT shall be strictly liable to the CITY for all damages, costs or expenses the CITY may suffer by virtue of any violation of this Section 21 by the CONSULTANT.

22. **PREVAILING WAGES.** State prevailing wage rates may apply to work performed under this Agreement. State prevailing wages rates apply to all public works contracts as set forth in California Labor Code, including but not limited to, Sections 1720, 1720.2, 1720.3,

1720.4, and 1771. Consultant is solely responsible to determine if State prevailing wage rates apply and, if applicable, pay such rates in accordance with all laws, ordinances, rules, and regulations.

23. **MISCELLANEOUS PROVISIONS.**

A. *Computation of Time Periods.* If any date or time period provided for in this Agreement is or ends on a Saturday, Sunday or federal, state or legal holiday, then such date shall automatically be extended until 5:00 p.m. Pacific Time of the next day which is not a Saturday, Sunday or federal, state, or legal holiday.

B. *Counterparts.* This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute but one and the same instrument.

C. *Captions.* Any captions to, or headings of, the sections or subsections of this Agreement are solely for the convenience of the parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

D. *No Obligations to Third Parties.* Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, or obligate any of the parties hereto, to any person or entity other than the parties hereto.

E. *Exhibits and Schedules.* The Exhibits and Schedules attached hereto are hereby incorporated herein by this reference for all purposes. To the extent any exhibits, schedules, or provisions thereof conflict or are inconsistent with the terms and conditions contained in this Agreement, the terms and conditions of this Agreement shall control.

F. *Amendment to this Agreement.* The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

G. *Waiver.* The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

H. *Applicable Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of California.

I. *Audit.* If this Agreement exceeds ten-thousand dollars (\$10,000), the parties shall be subject to the examination and audit of the State Auditor for a period of three (3) years after final payment under the Agreement, per Government Code Section 8546.7.

J. *Entire Agreement.* This Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between the parties as to the subject matter hereof. No subsequent agreement, representation, or promise made by either party hereto, or by or to an employee, officer, agent or representative of any party hereto shall be of any effect unless it is in writing and executed by the party to be bound thereby.

K. *Successors and Assigns.* This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.

L. *Subcontractors or Subconsultants.* The CITY is engaging the services of the CONSULTANT identified in this Agreement. The CONSULTANT shall not subcontract any portion of the work, unless such subcontracting was part of the original proposal or is allowed by the CITY in writing. In the event any portion of the work under this Agreement is subcontracted, the subconsultant(s) shall be required to comply with and agree to, for the benefit of and in favor of the CITY, both the insurance provisions in Section 17 and the indemnification and hold harmless provision of Section 15 of this Agreement.

M. *Construction.* The parties acknowledge and agree that (i) each party is of equal bargaining strength, (ii) each party has actively participated in the drafting, preparation and negotiation of this Agreement, (iii) each such party has consulted with or has had the opportunity to consult with its own, independent counsel and such other professional advisors as such party has deemed appropriate, relative to any and all matters contemplated under this Agreement, (iv) each party and such party's counsel and advisors have reviewed this Agreement, (v) each party has agreed to enter into this Agreement following such review and the rendering of such advice, and (vi) any rule or 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 portions hereof, or any amendments hereto.

24. Broker Services Agreement Addendum. CONSULTANT shall abide by the Broker Services Agreement Addendum attached to this Agreement as Exhibit "C," and incorporated herein.

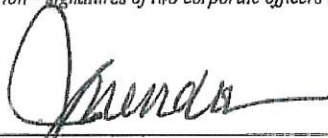
**[END OF AGREEMENT – SIGNATURES APPEAR ON NEXT PAGE]**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

**CITY OF NATIONAL CITY**

**HUB INTERNATIONAL INSURANCE SERVICES INC., a California corporation**  
*(Corporation - signatures of two corporate officers required)*

By: \_\_\_\_\_  
Alejandra Sotelo-Solis, Mayor


By:   
\_\_\_\_\_  
*(Name)*  
JESUS MENDOZA  
\_\_\_\_\_  
*(Print)*

APPROVED AS TO FORM:

Angil P. Morris-Jones  
City Attorney

SENIOR VICE PRESIDENT  
\_\_\_\_\_  
*(Title)*

By: \_\_\_\_\_  
Roberto M. Contreras  
Deputy City Attorney

By:   
\_\_\_\_\_  
*(Name)*  
SHANNON TAYLOR  
\_\_\_\_\_  
*(Print)*  
Pacific Region President,  
*(Title)*  
Employee Benefits



## **Exhibit A Scope of Services**

CONSULTANT agrees to perform consulting services as required by CITY. CONSULTANT shall provide the necessary qualified personnel to perform the services. In performance of the services CONSULTANT services include:

### **1. Strategic Planning**

- Assist in defining and prioritizing strategic health & welfare plan objectives
- Assist in the evaluation of internal technical capabilities to determine increased/improved applications for administrative processes
- Identify underperforming vendor relationship
- Assess carrier/vendor customer service levels
- Develop project action timelines
- Periodic review of employee demographics
- Assist in the development of an employee survey and provide an executive summary detailing results
- Discuss relevant benchmarking data

### **2. Financial Analysis**

- Perform financial review and analysis of experience reports
- Assess current funding arrangements for appropriateness and make recommendations as needed
- Evaluate current costs of benefits versus effectiveness of plan design
- Analyze utilization data and cost containment results of medical management (where applicable)
- Forecast projected benefit costs to include maximum exposure
- Prepare experience reviews as directed
- Assist in developing appropriate employee contribution levels
- Perform trend analysis from available diagnostic and normative data

### **3. Renewal**

- Analyze and negotiate renewals with vendors
- Review vendor renewal methodology, experience data, and assumptions for accuracy and logic
- Compare vendor renewal with Willis Towers Watson (WTW) projections
- Develop and present alternative plan designs and provisions with associated financial and member impact analysis
- Finalize program design, rates, and fees a minimum of 60 days prior to effective date
- Prepare an accurate renewal document with recommendations for delivery to senior management (as needed)

### **4. Marketing**

- Develop plan specification based on feedback from strategic planning meeting
- Jointly determine list of vendors best suited to meet plan goals and objectives
- Develop vendor performance guarantees with monetary penalties as necessary
- Assist in the review of current electronic data transfer processes with vendors
- Perform pre-marketing evaluation of census data, network service areas, and administrative needs
- Evaluate carrier client support services
- Evaluate vendor financial ratings and accreditation
- Review provider network accessibility/employee match
- Perform critical analysis and comparison of plan features and costs
- Assist in the scheduling of selected finalist site visits

#### **4. Marketing (continued)**

- Assist in conducting finalist negotiations
- Prepare and submit a summary report with recommendations to management
- Assist in the notification of all bidders as to the final outcome

#### **5. Annual Enrollment**

- Assist in the planning of employee meetings, round tables, and health seminars
- Provide guidance on delivering a comprehensive communication strategy
- Introduce workable technology solutions for communications and enrollment where appropriate
- Coordinate vendor sponsored communication material

#### **6. Compliance**

- Provide legislative updates as needed
- Review plan documents and summary plan descriptions for regulatory compliance from a non-legal perspective (client would need to retain legal advice)
- Provide access to periodic web casts compliance sessions

#### **7. Account Management Services**

- Serve as a liaison between the client and all insurance companies/vendors
- Monitor administrative process and assist in the smooth resolution of elevated issues
- Act as an employee/employer advocate in the resolution of ongoing claims issues
- Audit, confirm, and manage all changes in legal documents (contracts, policies, SPDs, etc.)
- Review plan performance as directed
- Review and provide guidance of diagnostic data
- Identify and monitor potential catastrophic claims
- Review large claims management activity
- Review network utilization

**Exhibit B  
Fees**

Consultant compensation is based on commissions built into the benefit plans as follows:

<b>Line of Coverage</b>	<b>Commission</b>
Medical (HMO/HDHP)	3%
Medical (Senior Advantage)	0%
Dental (DHMO)	0%
Dental (PPO)	2%
Voluntary Vision (PPO)	10% sliding scale
Basic Life/AD&D	15%
Voluntary Life/AD&D	15%
Short Term Disability	15%
Long Term Disability	15%
Voluntary Accident	15%
Voluntary Critical Illness	15%
Employee Assistance Plan	0%
Flexible Spending Accounts	\$1.00 PPPM
COBRA Services	0%

New lines of coverage placed by consultant will include standard commissions.

Additional services consultant will fund for The City:

<b>Service</b>	<b>Approximate Anticipated Cost</b>
Annual Health Fair & Food	\$3,100
Open Enrollment Brochures	\$350
Mobile Wallet Card	\$450
Benefit Administration Platform	\$15,500
COBRA Administrative Services	\$3,200

## **Exhibit C**

### **Broker Services Agreement Addendum**

The following disclosure is made by Hub International Insurance Services Inc., ("we" or "us") to The City of National City ("you"), in connection with the agreement for insurance brokerage services ("Services") entered into between the parties.

Before we bind the specific insurance coverage you desire to purchase we will disclose to you in writing:

(a) a summary of all quotes and indications we sought and received with certain pertinent information, or, if you prefer, a copy of all quotes and indications we sought and all quotes or indications we received in connection with that coverage;

(b) any interest we may have in, or contractual arrangements we may have with, any of the prospective insurers; and

(c) the maximum amount or percentage rate of compensation which we, our parent companies, subsidiaries or affiliates, may receive in connection with the placement of the insurance coverage;

and we will obtain your written consent to the amount or rate of compensation we will receive before coverage is bound.

You understand and agree that you shall make final decisions with respect to underwriting submissions and all matters relating to your insurance coverage, risk management, and loss control needs and activities. We will procure the insurance coverage chosen by you, prepare insurance binders, and review and transmit policies to you.

We will assess the financial soundness of the insurers we recommend to provide your coverages based on publicly available information, including that produced by well-recognized rating agencies. Upon request, we will provide you with our factual analysis of such insurers. We cannot, however, guarantee or warrant the solvency of any insurer or any intermediary that we may use to place your coverage.

We will review all policies and endorsements delivered to us by insurers or intermediaries for the purpose of confirming their accuracy and conformity to negotiated specifications and your instructions and advise you of any errors in, or recommended changes to, such policies. You agree that you will also review all policies and endorsements delivered to you and advise us of any questions you have or of any document or provision that you discover which you believe may not be in accordance with your instructions.

We will meet, as requested by you, with your representatives to explain coverage and policies. We will promptly respond to your requests for coverage information, analysis of changing market conditions, and assistance in developing procedures for handling loss exposures, and assist you in reporting subsequent changes in underwriting information to insurance companies.

We will inform you of the reporting requirements for claims, including where claims should be reported and the method of reporting to be used, if applicable. Please carefully review any claims-reporting instructions or information we provide you because failure to timely and properly report a claim may jeopardize coverage for the claim. In addition, you should retain copies of all insurance policies and coverage documents as well as claims-reporting instructions after termination of the policies because in some cases you may need to report claims after termination of a policy.

Only the Fee is in addition to the net premium paid for the Coverage's.

Commissions are paid by insurers from the premiums you pay and are earned by us for the entire policy period at the time we place policies for you.

If any insurer requires us to receive commissions in regard to any of the Coverages which are inconsistent with the provisions above, we will promptly notify you of such commissions and seek your written consent to receive them.

Our compensation may be revised if you request a change in the coverages and/or services during the term of this Agreement and we enter into a written agreement documenting any change in Coverages, Services and Compensation.

In some cases the use of a wholesale broker may be beneficial to you. We will not directly or indirectly knowingly place or renew your insurance business through a wholesale broker unless we first disclose to you in writing:

- (a) any interest we have in, or any contractual agreements we have with, the wholesale broker; and
- (b) any alternatives to using the wholesale broker; and
- (c) any compensation we or our corporate parents, subsidiaries or affiliates will receive as a result;

and obtain your consent to do so. If we expect to recommend the use of a wholesale broker, any compensation we or our corporate parents, subsidiaries or affiliates will receive as a result is also included in the total compensation provided for in the brokerage agreement between the parties.

Other parties such as underwriting managers or managing general agents may also earn and retain usual and customary commissions for their roles in providing insurance products and services to you. If any such parties are corporate parents, subsidiaries or affiliates of ours, any compensation we or our corporate parents, subsidiaries or affiliates will receive is included in the total compensation provided for in the brokerage agreement between the parties.

You may choose to use a premium finance company, property appraiser, structured settlement firm or other similar service provider in connection with the insurance coverages we place for you or the Services we provide to you. If you elect to use a service provider from which we or our corporate parents, subsidiaries or affiliates will receive any compensation directly or indirectly relating to the services you purchase from the provider, we will disclose additional information regarding that compensation to you before you make a final decision to use the service provider.

In the ordinary course of business we may also receive and retain interest on premiums you pay from the date we receive the funds until we pay them to the insurers or intermediaries.

As an insurance intermediary, we normally act for you. However, we or our corporate parents, subsidiaries or affiliates may provide services to insurers for some insurance products. These services may include (a) acting as a managing general agent, program manager or in other similar capacities which give us binding authority enabling us to accept business on their behalf and immediately provide coverage for a risk; (b) arranging lineslips or similar facilities which enable an insurer to bind business for itself and other insurers; or (c) managing lineslips for insurers. Contracts with these insurers may grant us certain rights or create certain obligations regarding the marketing of insurance products provided by the insurers.

We may place your insurance business under such a managing general agent's agreement, binding authority, lineslip or similar facility when we reasonably consider that these match your insurance requirements/instructions. When we intend to do so, we shall inform you and disclose the contractual arrangements we have with the insurer in accordance this disclosure.

We may also provide reinsurance brokerage services to insurers with which your coverage is placed pursuant to separate agreements with those insurers. We may be compensated by the insurers for these services in addition to any compensation we may receive for placement of your insurance coverages.

The insurance market is complex, and there could be other relationships which are not described in this document which might create conflicts of interest. Notwithstanding any possible conflict which might exist, we will act in your best interests at all times in providing the Services to you. If a conflict arises for which there is no practicable way of complying with this commitment, we will promptly inform you and withdraw from the engagement, unless you wish us to continue to provide the Services and will provide your written consent.

Prices on the Services specified herein are exclusive of all federal, state and local sales, use, excise, receipts, gross income and other similar taxes and governmental charges. Any such taxes or charges upon the Services provided hereunder, now imposed or hereafter becoming effective during the term of this agreement, shall be added to the price herein provided and paid by you unless, in lieu thereof, you provide us with a valid tax exemption certificate acceptable to us.

**RESOLUTION NO. 2020 -**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE MAYOR TO EXECUTE A TWO YEAR AGREEMENT WITH HUB INTERNATIONAL INSURANCE SERVICES INC., FOR INSURANCE BROKERAGE SERVICES, EFFECTIVE FEBRUARY 1, 2020, FOR A TERM OF TWO YEARS WITH THE OPTION TO EXTEND BY ONE-YEAR INCREMENTS FOR UP TO AN ADDITIONAL THREE YEARS AS APPROVED BY THE CITY MANAGER**

**WHEREAS**, in an effort to evaluate the competitiveness and effectiveness of our current insurance broker services, staff initiated a Request for Proposals (RFP) process in April 2018, and received four (4) responses; and

**WHEREAS**, after reviewing the proposals, Willis Insurance Services of California, Inc., was selected based upon their understanding of the industry in general, their comprehensive package of broker services, and the staff support the firm has been able to provide to the City, as they are the City's current brokerage firm; and

**WHEREAS**, on July 1, 2018, the City of National City and Willis Insurance Services of California, Inc., entered into an Agreement to assist with insurance brokerage services; and

**WHEREAS**, the proposed insurance service provider has changed to Hub International Insurance Services Inc.; and

**WHEREAS**, under the terms of the Agreement, Hub International Insurance Services Inc. will be paid on a commission basis, consistent with typical industry practices for the term of two years, effective February 1, 2020, with the option to extend in one-year increments for up to an additional three years.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of National City hereby authorizes the Mayor to execute a two-year Agreement with Hub International Insurance Services Inc., for insurance brokerage services effective February 1, 2020 with the option to extend by one year increments for up to an additional three years as approved by the City Manager. Said Agreement is on file in the office of the City Clerk.

**PASSED and ADOPTED this 4<sup>th</sup> day of February, 2020**

\_\_\_\_\_  
Alejandra Sotelo-Solis, Mayor

**ATTEST:**

\_\_\_\_\_  
Michael R. Dalla, City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Angil P. Morris Jones, City Attorney