

**RESOLUTION NO.: R-2002-034**

*Authorizing execution of  
a contract with PHT Services, Ltd.*

BE IT RESOLVED that the City Manager or Commissioner for Public Safety/First Assistant

City Manager is authorized to execute the attached contract with PHT Services, Ltd. (PHTS), for third party administration of the City's self-insured workers' compensation program and to provide loss control services.

Approved this 5th day of June, 2002.

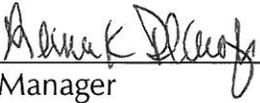
Requested by:

\_\_\_\_\_



Mayor

Approved by:

  
\_\_\_\_\_  
City Manager

Approved as to form:

  
\_\_\_\_\_  
City Attorney

ATTEST:

  
\_\_\_\_\_  
City Clerk

Introduced: 6/5/2002

Final Reading: 6/5/2002

ORIGINAL  
STAMPED IN REPLY



Compensation Commission if possible or necessary, through use of City funds in such a manner to be directed by the City;

6. Utilize external bill review services for the review of charges for medical services, if deemed prudent;
7. Maintain any records necessary for the City to fulfill its obligations under the South Carolina Workers' Compensation Act and Regulations;
8. Negotiate and/or compromise workers' compensation claims submitted or filed by City employees, including informal conferences;
9. Furnish and provide the City with monthly reports of all claims detailing the following:
  - a. Claims received;
  - b. Claims pending;
  - c. All payments made on behalf of the City;
  - d. Estimates for all reserves for actual, anticipated or potential benefits or expenses; and,
  - e. All other pertinent data regarding claims and claim payments.
10. Assist in the completion of the self-insurance tax return and Second Injury Fund assessment form and assist in the compilation of all information necessary to calculate premiums for excess insurance coverage. Obtain quotes for excess insurance coverage. The City has the responsibility for payment of self-insurance taxes, Second Injury Fund assessment and excess insurance premiums and for filing of all forms.
11. Provide toll-free telephone access for City employees to report claims or otherwise contact the PHTS's personnel;
12. Assign a primary adjuster to oversee the City's claims and provide a direct contact for the City's Management and Legal Department by establishing a dedicated telephone line to the primary adjuster;
13. Protect and/or pursue the City's rights to subrogation in third party and Second Injury Fund reimbursements. Subject to written approval from the City, PHTS has the authority to use an approved outside expert to secure such reimbursements when use of such experts is warranted, the cost charged by the expert will be netted against the recovery.

**C. COMMENCEMENT OF SERVICES**

PHTS shall commence providing the services on July 1, 2002 which shall be inclusive of

all of the City's workers' compensation claims in progress.

**D. TERM OF CONTRACT**

This contract shall expire, unless earlier terminated as provided for herein, on June 30, 2004. The City shall, in its sole discretion, have the option to renew this contract for an additional two year term for an annual fee of Sixty-one Thousand Five Hundred and 00/100 (\$61,500.00) Dollars per year.

**E. CONTRACT AMOUNT AND TERMS OF PAYMENT**

PHTS shall be paid the following amounts for providing the requested services:

July 1, 2002 - June 30, 2003	\$ 58,500.00
July 1, 2003 - June 30, 2004	\$ 58,500.00

PHTS will be paid on a quarterly basis and at the beginning of each quarter as follows:

July 1, 2002	-	September 30, 2002	-	\$14,625.00
October 1, 2002	-	December 31, 2002	-	\$14,625.00
January 1, 2003	-	March 31, 2003	-	\$14,625.00
April 1, 2003	-	June 30, 2003	-	\$14,625.00
July 1, 2003	-	September 30, 2003	-	\$14,625.00
October 1, 2003	-	December 31, 2003	-	\$14,625.00
January 1, 2004	-	March 31, 2004	-	\$14,625.00
April 1, 2004	-	June 30, 2004	-	\$14,625.00

PHTS will provide the City with an invoice for each payment due. PHTS will provide the City with any documents as the City may request in order to submit the invoice for any payment or for any other reason.

**F. PERSONNEL**

PHTS will provide a sufficient number of qualified personnel who meet relevant State of South Carolina requirements and certifications regarding administration/adjustment of a self-insured workers' compensation program and/or loss control program. PHTS shall have an office with local service representatives located within 20 miles of the corporate limits of the City of Columbia. The local representatives will be employed by PHTS on a full time basis and not as a subcontractor.

**G. NON-DISCRIMINATION**

To the extent legally feasible, PHTS will take affirmative action in complying with all Federal, State and local requirements concerning fair employment and employment of the

handicapped, and concerning the treatment of all employees, without regard or discrimination by reason of race, color, religion, sex, national origin or physical handicap.

**H. REPORTS**

PHTS shall provide the City with reports, regarding the administration/adjustment of its self-insured workers' compensation program or loss control as specified in the scope of services, at no additional cost.

**I. RESERVATION OF RIGHT TO PROVIDE LEGAL SERVICES**

The City will provide in-house legal services for the litigation of workers' compensation claims to include but not be limited to denied or contested employee workers' compensation claims, third party subrogation and Second Injury Fund claims, which are listed by way of illustration and not limitation. PHTS shall provide the City prompt and timely notice of matters that are to be litigated by City legal staff. The City will also prepare clincher agreements for all clinchered workers' compensation cases. PHTS's personnel shall fully cooperate with the City's legal counsel with regard to any litigated matters.

**J. LICENSES, PERMITS, AND TAXES**

All costs for required permits, licenses and taxes shall be borne by PHTS. PHTS will procure a City of Columbia business license. City shall be responsible for payment of self-insurance taxes, Second Injury Fund assessments and premiums for excess insurance coverage.

**K. DUTY OF CONFIDENTIALITY**

PHTS and PHTS's employees, shall keep all information received and utilized by it in the performance of the required services confidential. Such information may be released only upon written approval by the City.

**L. CONTRACTOR SOLELY RESPONSIBLE FOR PERFORMANCE**

PHTS shall be responsible for performance of the services required by the contract. PHTS is an independent contractor and does not act as the City's agent or employee.

**M. ASSIGNMENT AND SUBLETTING**

PHTS will not assign or sublet its obligations to perform the requested services without written consent of the City. This provision does not apply to the use by PHTS of approved experts in the course of adjusting workers' compensation claims or seeking subrogation or Second Injury Fund reimbursement, except as required under paragraph B.11. of this contract. PHTS's authority to engage such experts will be determined by procedural

agreement.

**N. OWNERSHIP OF DATA**

All data or other information generated by or used by PHTS, in any form whatsoever, is the property of the City and shall not be used by PHTS for any purpose whatsoever except to perform the requested services.

**O. DUTIES UPON TERMINATION**

Third Party Administration and claims adjusting services will end at the termination of the contract term, except PHTS will provide services to ensure an effective transition to its successor who shall be responsible for the conclusion of any and all workers' compensation claims in progress. At termination, PHTS shall immediately provide the City, or its designee, with all records and data in any format PHTS is capable of producing and at no cost to the City, which were generated, created or received by PHTS in performance of the contract by PHTS or as the City may deem necessary to perform the requested services by the City or PHTS's successor. All records shall be free from licenses or any proprietary claims or interest.

PHTS agrees to fully cooperate with the City and any successor in order to continuously provide the requested services.

**P. TERMINATION**

This contract may be terminated by the City at any time upon any of the following grounds:

1. Failure by the City of Columbia to appropriate funds for the administration of the City's self-insured workers' compensation program;
2. PHTS fails to perform any of the services required in the contract and does not correct such deficiency within 15 days after having been notified by the City of such deficiency;
3. Upon 30 days written notice by the City of its intent to no longer be self-insured under the workers' compensation law. If, after expiration of 30 days after providing such notice, additional time is required to facilitate the transition away from a self-insured program, the City will pay PHTS for such additional days on a per diem basis, based on the contract fee;
4. Force majeure;
5. Upon expiration of the two year term of the contract; and,

6. By mutual agreement.

**Q. WHOLE AGREEMENT**

The Contract shall contain the entire agreement between the City and PHTS. In order to be binding, any modification thereof shall be in writing and signed by the City and PHTS.

**R. CONTRACT INTERPRETATION**

In the event that there are any disagreements between the City and PHTS with regard to any of the requirements, specifications or interpretation of this contract, PHTS agrees to defer to the reasonable interpretations of the City as, from time to time may be made by the City. Ambiguities in the terms of the contract, if any, shall not be construed against the City.

**S. STATE LAW APPLICABLE**

The contract shall be construed in accordance with the laws of the State of South Carolina. PHTS agrees to subject itself to the jurisdiction and venue of the Circuit Courts of Richland County, State of South Carolina as to all matters and disputes arising or to arise under the contract and the performance thereof. The City may seek attorney's fees and PHTS agrees to pay such fees as awarded by the Court or other body. No attorney's fees may be sought by, nor will be paid to, PHTS.

**T. NOTICE**

Written notice to the City shall be made by placing such notice in the United States Mail, certified, postage prepaid and addressed to: City Manager, Post Office Box 147, Columbia, South Carolina 29217. A copy of any written notice shall also be mailed to City Attorney, Post Office Box 667, Columbia, South Carolina 29202.

Written notice to PHTS shall be made by placing such notice in the United States Mail, certified, postage prepaid and addressed to PHT Services, Ltd., Attention: David D. Dodge, President & CEO, Post Office Box 21099, Columbia, South Carolina 29211-1099.

**U. BREACH/WAIVER**

The failure of either PHTS or the City to insist upon the strict performance of any provision of this contract shall not be deemed to be a waiver of the right to insist upon strict performance of such provision or of any other provision of this contract at any time. Waiver of any breach of the contract by PHTS or City shall not constitute waiver of a subsequent breach.

RECEIVED  
MAY 30 2002  
PHT SERVICES. LTD

**V. SEVERABILITY**

In the event any provision of this contract is determined to be void or unenforceable, all other provisions shall remain in full force and effect.

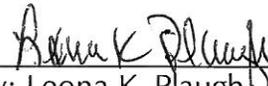
**W. SUCCESSORSHIP**

The contract is binding upon PHTS, its successors and assigns. This contract is binding upon the City in accordance with its terms and conditions.

**IN WITNESS HEREOF**, the parties hereto have executed this contract the day and year first above written.

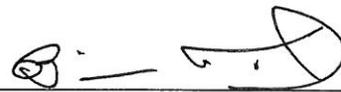
  
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**CITY OF COLUMBIA**

  
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By: Leona K. Plough  
Its: City Manager

  
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**PHT SERVICES, LTD.**

  
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By: Brian Tuesink  
Its: Executive Vice President &  
Chief Risk Officer