

BOARD OF COUNTY COMMISSIONERS
SARPY COUNTY, NEBRASKA

RESOLUTION APPROVING CLIENT SERVICES AGREEMENT FOR ACTUARIAL SERVICES
FOR GASB 45 AND AUTHORIZING CHAIRMAN TO SIGN THE SAME

WHEREAS, pursuant to Neb. Rev. Stat. §23-104(6) (Reissue 2007), the County has the power to do all acts in relation to the concerns of the County necessary to the exercise of its corporate powers; and,

WHEREAS, pursuant to Neb. Rev. Stat. §23-103 (Reissue 2007), the powers of the County as a body are exercised by the County Board; and,

WHEREAS, Sarpy County requires the services of an Actuary to determine Sarpy County's potential liabilities for GASB 45, Accounting for Other Post Employment Benefits (OPEB); and,

WHEREAS, the firm of Lewis & Ellis, Inc. has the experience and qualifications required by Sarpy County.

NOW, THEREFORE, BE IT RESOLVED, By the Sarpy County Board of Commissioners that the attached Client Services Agreement between Sarpy County and Lewis & Ellis, Inc. is hereby approved and the Chairman of such Board is hereby authorized to sign the same.

DATED this 12th day of April, 2011

MOVED by Jim Warren, seconded by

Rusty Hike, that the above Resolution be adopted. Carried.

YEAS:

NAYS:

ABSENT:

[Signature]
[Signature]
[Signature]
[Signature]
[Signature]

none

none

ABSTAIN:
none

Attest:

SEAL

[Signature]
County Clerk



AGREEMENT

This Agreement is entered into by and between the County of Sarpy, in the State of Nebraska, a body politic and corporate, and hereinafter "County", and Lewis & Ellis, Inc., hereinafter "Vendor".

WHEREAS, County is desirous of contracting for Actuarial Consulting Services for GASB 45 for the Sarpy County Fiscal Administration; and,

WHEREAS, the Vendor has been awarded this Agreement as a result of the bid made by Vendor in response to the Specifications and Request for Proposals prepared by County;

NOW, THEREFORE, for and in consideration of the declarations and mutual promises and covenants contained herein, the County and Vendor agree as follows:

I. DUTIES OF VENDOR:

- A. Services to be rendered by Vendor under this Agreement shall be all those services necessary and proper for the installation and materials for Actuarial Consulting Services for GASB 45 in conformity with each and every term, condition, specification, and requirement of the Bid Specifications and the Bid submitted by the Vendor.
- B. All provisions of each document and item referred to in Paragraph A above shall be strictly complied with the same as if rewritten herein, and in the event of conflict among the provisions of said documents, the provisions most favorable to the County shall govern.
- C. Prior to the commencement of any work, Vendor will place on file with the Sarpy County Clerk, the required certificates of insurance, if applicable.
- D. The Vendor agrees to comply with the residency verification requirements of Neb. Rev. Stat. §4-108 through §4-114. The Vendor is required and hereby agrees to use a federal immigration verification system to determine the work eligibility status of new employees physically performing services within the State of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program authorized by the Illegal Immigration Reform and immigrant Responsibility Act of 1996, 8 U.S.C. 1324a, known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work eligibility status of a newly hired employee.

If the Vendor is an individual or sole proprietorship, the following applies:

- 1. The Vendor must complete the United States Citizenship Attestation

Form, available on the Department of Administrative Services website at www.das.state.ne.us.

2. If the Vendor indicates on such attestation form that he or she is a qualified alien, the Vendor agrees to provide the U.S. Citizenship and Immigration Services documentation required to verify the Vendor's lawful presence in the United States using the Systematic Alien Verification for Entitlements (SAVE) Program.
 3. The Vendor understands and agrees that lawful presence in the United States is required and the Vendor may be disqualified or the contract terminated if such lawful presence cannot be verified as required by Neb. Rev. Stat. Sect. 4-108.
- E. Vendor will submit an invoice to County for work completed based on the amounts specified in Vendor's bid. Such invoices shall be submitted to:

Brian Hanson
Sarpy County Fiscal Administrator
1210 Golden Gate Drive
Papillion, NE 68046

- F. The County and Vendor hereto specifically acknowledge, stipulate and agree that each and every term of the Bid Specifications and the Vendor's bid constitutes an essential term of this Agreement, and that, therefore, any violation of any term, condition, provision, or requirement constitutes a material breach hereunder, for which County shall have every right under the law to terminate this Agreement, and obtain any and all relief necessary.

II. DUTIES OF COUNTY:

In return for full, faithful and diligent rendering of services set forth above, County agrees to pay to Vendor the amount specified in Vendor's bid upon submission of the required invoice and satisfactory completion of all required work.

III. BREACH:

Should Vendor breach, violate, or abrogate any term, condition, clause or provision of this agreement, the County shall notify Vendor in writing that such an action has occurred. If satisfactory provision does not occur within ten (10) days from such written notice, the County may, at its option, terminate this agreement and obtain an alternate provider to provide all required materials. This provision shall not preclude the pursuit of other remedies for breach of contract as allowed by law.

IV. SAVINGS CLAUSE:

This Agreement shall be interpreted, construed and enforced under the laws of the State of Nebraska. It is understood and agreed by the County and Vendor hereto that if any part, term, condition, or provision of this Agreement is held to be illegal or in conflict with any law of the State of Nebraska or of the United States, the validity of the remaining parts, terms, conditions, or provisions shall not be affected, and the rights and obligations of the County and Vendor shall be construed and enforced as if the Agreement did not contain the particular part, term, condition, or provision held to be invalid.

V. SCOPE OF AGREEMENT

This Agreement, along with the Bid Specifications, and Bid by Vendor contains the entire Agreement between the County and Vendor, and there are no other written or oral promises, contracts or warrants which may affect it. This Agreement cannot be amended except by written agreement of both the County and Vendor. Notice to the County and Vendor shall be given in writing to the agents for each party named below:

County: Ms. Debra Houghtaling
Clerk of Sarpy County
1210 Golden Gate Drive
Papillion, NE 68046

Vendor: Mr. Patrick Glenn
Lewis & Ellis, Inc.
11225 College Blvd., Ste. 320
Overland Park, KS 66210

IN WITNESS WHEREOF, we the contracting parties, by our respective and duly authorized agents, hereto affix our signatures and seals in duplicate this 12th day of April, 2011.

(Seal)

COUNTY OF SARPY, NEBRASKA,
A body Politic and Corporate

ATTEST:



Debra I. Houghtaling
Sarpy County Clerk

Tom Rickard
Chairperson 4/12/11
Sarpy County Board of Commissioners

Approved as to form:

Michael P. [Signature]
County Attorney

Vendor: Lewis & Ellis, Inc.

By: Patrick Glenn

Title: Assistant Vice President

Attest:

Witness

Sarpy County Purchasing Department

SARPY COUNTY COURTHOUSE
1210 GOLDEN GATE DRIVE
PAPILLION, NE 68046



Brian Hanson, Purchasing Agent
(402) 593-2349
Debby Peoples, Asst. Purchasing Agent
(402) 593-4164
Beth Cunard, Senior Buyer/Contract Administrator
(402) 593-4476
Lois Spethman, Supply Clerk/Purchaser
(402) 593-2102

MEMO

To: Sarpy County Board of Commissioners

From: Beth Cunard

Re: GASB 45

When the County prepares the financial statements, we have to follow regulations set forth by the Government Accounting Standards Board (GASB). GASB has issued pronouncement Number 45, Accounting for Other Post Employment Benefits (OPEB) which requires us to hire an actuarial firm to determine our potential liabilities. In Sarpy County's case, the main OPEB is our liability for health insurance premiums for retirees until they reach age 65.

We have received proposals from several firms to provide the services required under GASB 45. We recommend the firm of Lewis & Ellis, Inc to provide the needed services.

Please call me if you have any questions or email me at bcunard@sarpy.com.

April 6, 2011



Beth Cunard

cc: Mark Wayne
Brian Hanson
Scott Bovick
Deb Houghtaling

DESCRIPTIONS (Continued from Page 1)

Glenn A. Tobleman, Steven D. Bryson, Scott Gibson, Cabe W. Chadwick, Michael A. Mayberry, Gregory S. Wilson
Bonnie Albritton, David Dillon

Certificates of Insurance

In September 2009, ACORD revised the ACORD 25 Certificate of Insurance form. One of the major changes was the removal of the cancellation notice provision. We are unable to issue an older edition of this form, modify the current form, or complete a proprietary form you provide.

Notice of cancellation is a policy right, not an unregulated service. Some insurance companies shown on this certificate may be unable to provide the cancellation notice you desire by endorsement. For example, the insured can cancel immediately, so it would be impossible for the insurer to give you the notice you request. State law also grants the insurer the right to cancel for reasons such as nonpayment with less notice than you require. We will make every effort to endorse these policies to give the required notice.

For the reason just cited, if our agency was to issue a certificate that provides the cancellation notice you request without the proper endorsement(s), we would do so with the full knowledge that it would be impossible to actually give that amount of notice under certain circumstances. As such, the certificate could be alleged to constitute a misrepresentation or fraud which could subject our agency and staff to serious civil and criminal penalties.

If a certificate purports to provide a policy right different from that provided by the policy itself, then the certificate effectively purports to be a policy form. Policy forms must be filed and approved by our state department of insurance. Use of nonfiled policy forms is illegal and could result in legal sanctions distinct from the assertion that the certificate is fraudulent.

We cannot use an older edition of the ACORD 25. Under the ACORD Corporation's licensing agreement, the prior editions of superseded forms can be used for one year from the time the new forms are introduced. Using a prior edition would violate ACORD's licensing agreement and, as a copyrighted document, federal copyright law.

Likewise, we are unable to modify the new certificate to add a notice of cancellation. ACORD forms are designed to be completed, not altered. Our insurance company contracts only allow us to issue unaltered ACORD forms.

We are often asked to issue proprietary certificates provided by the certificate holder. Again, our insurance company contracts only allow us to issue unaltered ACORD forms. Many proprietary certificates include broad, vague or ambiguous language that may or may not be in compliance with state laws, regulations, and insurance department directives.

We will no longer modify the Description of Operations section of the ACORD certificate to include coverage wording (i.e. Additional Insured or Waiver of Subrogation status). Many states have issued notices that amending a certificate of insurance in any way that might obscure or misrepresent the insurance coverage, terms, obligation of notice by an insurer, or any other right(s) under an insurance policy is a violation of law and could result in administrative penalties and/or license revocation. At least 34 states have clarified that issuance of such a certificate would be considered a violation of state law. Given the trend in recent years, we can reasonably anticipate the other states will follow suit at some point in the not-too-distant future.

If a Certificate Holder is an Additional Insured, our Certificate will show them as Additional Insured and we will provide the endorsement to the policy. Placing additional wording in the Description of Operations on the Certificate might obscure or misrepresent the insurance coverage or terms. The Insurance Certificate is for information purposes only and is not part of the insurance contract. By providing the actual Endorsement, which is part of the insurance contract, proper evidence of the Additional Insured is included.

We appreciate your understanding of the legal restrictions on our ability to fully comply with your request.

Querbes & Nelson

...an Assurex Global Partner

TO: Whom It May Concern

RE: Certificates of Insurance

In its 2009 session, the Louisiana legislature passed Act 335, which regulates the form and use of certificates of insurance. The provisions of Act 335 took effect on August 15, 2009. Act 335 defines a certificate of insurance broadly as "any document issued by or on behalf of an insurer to a third party who has not contracted with the insurer to purchase an insurance policy and is provided for informational purposes only to advise a third party of the existence and limits of insurance coverage issued to the named insured."

One section of the Act limits the types of certificate forms that can be used by insurers and producers. This Section reads: "Any insurer or insurance producer acting on behalf of the insurer issuing a certificate of insurance shall be authorized to use only the standard ACORD or ISO Form "Certificate of Insurance" or other form filed with and approved by the commissioner of insurance." Until the Louisiana Department of Insurance develops the regulation outlining the process and criteria for approval of non-ACORD or non-ISO form certificates, the use of such certificates is not authorized, and we cannot execute your custom certificate form.

Therefore, we have executed and enclosed an ACORD insurance certificate for the applicable insurance coverages. For information purposes only, we have also enclosed an unexecuted copy of your custom certificate form on which we have answered the "supplemental" questions concerning the insured's coverages.