

**CITY COUNCIL RESOLUTION NO. 2023-93**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE CITY, FLORIDA, AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH GALLAGHER BENEFIT SERVICES, INC., FOR CONSULTING SERVICES; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the City of Lake City, Florida (hereinafter the “City”) desires to enter into an Agreement with Gallagher Benefit Services, Inc. for consulting services; and

**WHEREAS**, Section 2-178(g)(1) of the City Code permits the City to enter into an agreement for the acquisition of services that have been competitively procured by other agencies, also known as “piggybacking”; and

**WHEREAS**, the city administration recommends consulting services with Gallagher Benefit Services on the same, or more advantageous, terms, conditions, and pricing provided under the *Addendum Agreement Between the City of Lake City and Gallagher Benefit Services, Inc. for Consulting Services* a copy of which is attached hereto (hereinafter the “Agreement”); and

**WHEREAS**, the City Council finds that it is in the City’s best interest to accept the competitively procured pricing and to award the contract to Gallagher Benefit Services, Inc., for the procurement of the aforementioned consulting services pursuant to the terms, provisions, conditions, and requirements of the Agreement.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAKE CITY, FLORIDA, AS FOLLOWS:**

**Section 1.** The above recitals are all true and accurate and are incorporated herein and made a part of this resolution.

**Section 2.** The City is hereby authorized execute the Agreement between the City of Lake City and Gallagher Benefit Services, Inc. for Consulting Services.

**Section 3.** The City Manager and City Attorney are authorized to make such reasonable changes and modifications to the Contract as may be deemed

necessary to be in the best interest of the City and its citizens. Provided however, that any such changes or modifications shall not cause the payment to Gallagher Benefit Services, Inc. to exceed the commission referenced herein. The Mayor is authorized and directed to execute and deliver the Contract in the name of, and on behalf of, the City with such changes, amendments, modifications, omissions, and additions made by the City Manager and City Attorney. Execution by the Mayor and Gallagher Benefit Services, Inc., shall be deemed to be conclusive evidence of approval of such changes, amendments, modifications, omissions, and additions.

**Section 4.** This Resolution is effective upon adoption of the same.

**PASSED AND ADOPTED** at a meeting of the City Council this \_\_\_\_ day of August 2023.

**CITY OF LAKE CITY, FLORIDA**

By: \_\_\_\_\_  
Stephen M. Witt, Mayor

ATTEST:

APPROVED AS TO FORM AND  
LEGALITY:

By: \_\_\_\_\_  
Audrey E. Sikes, City Clerk

By: \_\_\_\_\_  
Thomas J. Kennon, III,  
City Attorney

**ADDENDUM AGREEMENT BETWEEN THE CITY OF LAKE CITY AND  
GALLAGHER BENEFIT SERVICES, INC. FOR CONSULTING SERVICES**

THIS AGREEMENT is made and entered into this \_\_\_\_ day of August, 2023, by and between the CITY OF LAKE CITY, a municipal corporation of the State of Florida, whose address is 205 N. Marion Avenue, Lake City, Florida 32055, (the "City") and Gallagher Benefit Services, Inc. a for profit corporation authorized to do business in the State of Florida, whose address is 200 S. Orange Avenue, Suite 750, Orlando, Florida 32801, (the "Consultant"), and each represents as follows:

**WHEREAS**, the City has the legal authority to "piggyback" onto a contract procured by another governmental entity when seeking to utilize the same or similar services provided for in said contract in the interest of the public; and

**WHEREAS**, the City is a public agency subject to Chapter 119, Florida Statutes; and

**WHEREAS**, the Contractor currently provides consultation services to the City of Live Oak following a competitive procurement process completed by the City of Live Oak (Request for Proposals 2022-01) and agreed to by the Consultant, a copy of which incorporated herein and attached hereto as **Exhibit A** (the "Live Oak Agreement"); and

**WHEREAS**, the City requires the services of a consultant who can provide consulting services to the City of Lake City more particularly described in Exhibit A of the Live Oak Agreement; and

**WHEREAS**, such solicitation, and resulting Live Oak Agreement, allows for purchase to be made by other governmental agencies within the State of Florida, provided purchases as governed by the same terms and conditions as the solicitation; and

**WHEREAS**, the City desires to "piggyback" onto the above referenced Live Oak Agreement between the Consultant and the City of Live Oak for utilization of the same or similar services, and the Consultant consents to the aforesaid "piggybacking", and agrees to extend to the City of Lake City the same terms, and conditions of the Live Oak Agreement, with a decrease in commission costs as outlined below; and

**WHEREAS**, the Parties agree to the terms and conditions of the Live Oak Agreement, except as modified herein.

**NOW THEREFORE**, in consideration of the mutual covenants contained herein, and for other valuable consideration received, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Recitals.** The above stated recitals are true and correct.
2. **Scope of Services.** Pursuant to this Agreement, the Consultant agrees to provide the City with all the services to City as specified in the Scope of Services included in the Live Oak Agreement, a copy of which is attached hereto as **Exhibit A** ("Services").

3. **Term.** This Agreement is effective upon execution by both Parties (“effective date”) and continues through the term of the Live Oak Agreement, as may be renewed. No amendment of this Agreement shall exceed the term of the Live Oak Agreement and its renewal periods.
4. **Addendum.** The Parties agree to be bound by the terms and conditions of the Live Oak Agreement, with respect to the City’s purchase of or request for Services from the Consultant during the term of this Addendum, except for as modified or added below:
  - a. **References.** For the purposes of this Agreement, references in the Live Oak Agreement to the “Client” or “City of Live Oak” or “City” or any of its divisions, departments, agencies or employees and a “location of the work” will be read to reference the City of Lake City, Florida and City facilities, divisions, departments, offices, or employees.
  - b. **Public Records.** The Consultant shall comply with Florida's Public Records Law. Specifically, pursuant to Florida statute Section 199.0701, when acting on behalf of the County, the Consultant agrees to the following:
    - i. During the term of this Agreement, Consultant shall comply with the Florida Public Records Law, to the extent such law is applicable to Consultant. If Section 119.0701, Florida Statutes is applicable, Consultant shall do the following: (1) Keep and maintain public records required by City to perform this service; (2) Upon request from City, provide City 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 allowed by law; (3) Keep from disclosure those public records that are exempt or confidential from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if Consultant does not transfer the records to City; (4) Upon completion of the contract, Consultant will transfer, at no cost, all public records to City, or keep and maintain public records required by City to perform the service. If Consultant transfers to City all public records upon completion of the contract, Consultant shall destroy any duplicate public records that are exempt or confidential from public records disclosure requirements. If Consultant keeps and maintains public records upon completion of the contract, Consultant shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to City in a format that is compatible with the information technology systems of City.
    - ii. Consultant shall keep and make available to City for inspection and copying, upon written request by City, all records in Consultant's possession relating to this Agreement. Any document

submitted to City may be a public record and is open for inspection or copying by any person or entity unless considered confidential and exempt. Public records are defined as all documents, papers, letters, maps, books, tapes, photographs, films, sound recordings, data processing software, or other material, regardless of physical form, characteristics, or means of transmission, made or received pursuant to law or ordinance or in connection with the transaction of official business by an agency. Any document in Consultant's possession is subject to inspection and copying unless exempted under Chapter 119, Florida Statutes.

- iii. During the term of this Agreement, Consultant may claim that some or all of Consultant's information, including, but not limited to, software, documentation, manuals, written methodologies and processes, pricing, discounts, or other considerations (hereafter collectively referred to as "Confidential Information"), is, or has been treated as, confidential and proprietary by Consultant in accordance with Section 812.081, Florida Statutes, or other law, and is exempt from disclosure under the Public Records Act. Consultant shall clearly identify and mark Confidential Information as "Confidential Information" and City shall use its best efforts to maintain the confidentiality of the information properly identified by Consultant as "Confidential Information."
- iv. City shall promptly notify Consultant in writing of any request received by City for disclosure of Consultant's Confidential Information and Consultant may assert any exemption from disclosure available under applicable law or seek a protective order against disclosure from a court of competent jurisdiction. Consultant shall protect, defend, indemnify, and hold City, its officers, employees and agents free and harmless from and against any claims or judgments arising out of a request for disclosure of Confidential Information. Consultant shall investigate, handle, respond to, and defend, using counsel chosen by City, at Consultant's sole cost and expense, any such claim, even if any such claim is groundless, false, or fraudulent. Consultant shall pay for all costs and expenses related to such claim, including, but not limited to, payment of attorney fees, court costs, and expert witness fees and expenses. Upon completion of this Agreement, the provisions of this section shall continue to survive. Consultant releases City from all claims and damages related to any authorized and lawful disclosure of documents by City.
- v. If the Consultant refuses to perform its duties under this section within 14 calendar days of notification by City that a demand has been made to disclose Consultant's Confidential Information, then Consultant waives its claim that any information is Confidential

Information, and releases City from claims or damages related to the subsequent disclosure by City.

- vi. A request to inspect or copy public records relating to this Agreement must be made directly to City. If City does not possess the requested records, City shall immediately notify Consultant of the request, and Consultant must provide the records to City or allow the records to be inspected or copied within a reasonable time.
- vii. If Consultant fails to comply with the Public Records Law, Consultant shall be deemed to have breached a material provision of this Agreement and City shall enforce this Agreement and Consultant may be subject to penalties pursuant to Chapter 119.

**IF CONSULTANT HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, REGARDING CONSULTANT'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONSULTANT SHOULD CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT 386-719-5756, OR CITYCLERK@LCFLA.COM OR 205 N. MARION AVENUE, LAKE CITY, FLORIDA 32055.**

- c. **Notice.** Except as otherwise provided in this Agreement, any notice from either Party to the other Party must be in writing and deliverable by hand delivery with receipt or sent by certified mail, return receipt requested, to the addresses below. All notices will be deemed delivered five (5) business days after mailing. Each Party may change its mailing address by giving the other Party, written notice of election to change the address.

To Consultant:  
Gallagher Benefit Services, Inc.  
Attn: Kevin Murphy  
200 S. Orange Avenue, Suite 750  
Orlando, Florida 32801

To City:  
City of Lake City  
c/o Paul Dyal, City Manager  
205 N. Marion Avenue  
Lake City, Florida 32055

- d. Compensation Disclosure Statement: Exhibit B entitled Compensation Disclosure Statement of the Live Oak Agreement will be replaced with Exhibit B Compensation Disclosure Statement for Lake City labeled Exhibit B herein.

***Remainder of Page Intentionally Left Blank – Signatures and Notarization on Following Page***

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the day and date first above written.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Stephen Witt, Mayor  
For: City of Lake City, Florida

ATTEST:

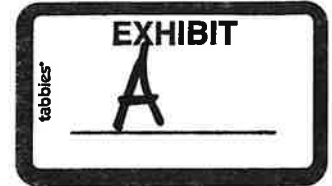
Approved as to form and legal sufficiency:

\_\_\_\_\_  
Audrey Sikes, City Clerk

\_\_\_\_\_  
City Attorney's Office

\_\_\_\_\_  
Date

\_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_  
For: Gallagher Benefit Services



## CONSULTING AGREEMENT

This Consulting Agreement (this "**Agreement**") is made by and between Gallagher Benefit Services, Inc., ("**Gallagher**") and City of Live Oak ("**Client**" or "**City**").

Client wishes to enter into a consulting relationship with Gallagher on the terms and conditions set forth in this Agreement, and Gallagher is willing to accept such a consulting relationship. In consideration of and in reliance upon the terms and conditions contained in this Agreement, Client and Gallagher agree as follows:

### 1. **Engagement of Services**

Client hereby engages Gallagher as a professional consultant to provide the consulting and/or brokerage services as more fully described in Exhibit A attached to this Agreement and incorporated herein. During the time that Gallagher is performing services for Client under this Agreement, and for all purposes outlined in this document, Gallagher's status will be that of an Independent contractor for Client.

### 2. **Term and Termination**

The Effective Date of this Agreement is October 1, 2022 as authorized by the City Council for the City of Live Oak at the City Council meeting on June 14, 2022. The term of Gallagher's engagement under this Agreement (the "Consulting Period") will begin as of the Effective Date and will remain in effect for one (1) year from the Effective Date. The Consulting Period will be automatically extended for an additional year on each anniversary of the Effective Date. Either party may terminate this Agreement by giving the other party at least ninety (90) days written notice of its intent to terminate. In the event such termination is effective during the Consulting Period (including any renewed Consulting Period), Client shall be responsible for compensating Gallagher for any services performed prior to the date of termination and Gallagher shall be responsible to Client to continue to provide services until the date of termination of this Agreement.

### 3. **Compensation**

As compensation for its services under this Agreement, Gallagher will receive carrier commissions and/or direct fees paid by the Client, as set forth in the Compensation Disclosure Statement attached hereto as Exhibit B. Additional information regarding Gallagher compensation can also be found in Exhibit B. Gallagher shall disclose the amount of commissions payable, if any, to it by each Insurance company at the time it presents rates to Client. The parties hereby agree that any Direct Client Fees for Consulting Services specified under Exhibit B shall be increased by an amount not to exceed three percent (3%) annually after the initial Consulting Period under this Agreement, unless otherwise agreed to by Gallagher. Client is responsible for payment of Gallagher's fees (if applicable) within thirty (30) days of invoice receipt. Any amounts not paid when due will accrue interest at the rate of one percent (1%) per month or the highest rate permitted by applicable law, whichever is less. If any amount is not paid in full when due without a good faith basis to withhold, that nonpayment will constitute a material breach of this Agreement.

### 4. **Performance and Scope**

(a) **Representations and Warranties.** Each party represents, warrants and covenants to the other that: (i) it has full power and authority to make, execute, deliver and perform its obligations under this Agreement; (ii) the performance of its obligations pursuant to this Agreement shall be in accordance with all applicable laws; (iii) this Agreement has been duly executed and delivered by an authorized representative of such party and constitutes the legal, valid and binding obligation of such party, enforceable against such party in accordance with its terms; and (iv) there are no other agreements presently in force which would encumber or prevent either party's compliance with any terms of this Agreement.



(b) Standard of Care. Gallagher will perform its duties, responsibilities and obligations with the care, skill, prudence and diligence that a prudent employee benefits consultant or insurance broker acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims under the circumstances then prevailing. As appropriate, Gallagher will coordinate fiduciary review services and other related duties with the plan's claims administrator and/or insurance carrier(s). However, Gallagher generally does not accept any fiduciary duties or obligations with respect to a plan given that these are typically performed by the plan's claims administrator or insurance carriers.

(c) Reliance. In the performance of its duties, Gallagher may rely upon, and will have no obligation to independently verify the accuracy, completeness, or authenticity of, any written instructions or information provided to Gallagher by Client or its designated representatives and reasonably believed by Gallagher to be genuine and authorized by Client.

(d) No Practice of Law. Gallagher will not be obligated to perform, and Client will not request performance of, any services which may constitute the unauthorized practice of law. Client will be solely responsible for obtaining any legal advice, review or opinion as may be necessary to ensure that its own conduct and operations, including the engagement of Gallagher under the scope and terms herein, conform in all respects with applicable State and Federal laws and regulations (including ERISA, the Internal Revenue Code, State and Federal securities laws and implementing regulations) and, to the extent that Client has foreign operations, any applicable foreign laws and regulations.

(e) Subcontractors. Gallagher may cause another person or entity, as a subcontractor to Gallagher, to provide some of the services required to be performed by Gallagher hereunder; provided that Gallagher shall remain responsible for all acts and omissions of any such subcontractors (each of which shall be bound by Gallagher's obligations under this Agreement). Gallagher shall seek prior written approval from Client for any subcontractors providing substantive consulting, professional or managerial services. Prior written approval shall not be required for clerical, office, secretarial, IT back-up, administrative or similar support services.

(f) Conflict of Interest. Gallagher's engagement under this Agreement will not prevent it from taking similar engagements with other clients who may be competitors of Client. Gallagher will, nevertheless, exercise care and diligence to prevent any actions or conditions which could result in a conflict with Client's best interest.

(g) Acknowledgements. In connection with Gallagher's services under this Agreement, Client agrees that:

(i) Although Gallagher will apply its professional judgment to access those insurance companies it believes are best suited to insure Client's risks, there can be no assurance that the insurance companies Gallagher has accessed are the only or are the best suited to insure Client's risks. The final decision to choose any insurance company has been made by Client in its sole and absolute discretion. Client understands and agrees that Gallagher does not take risk, and that Gallagher does not guarantee the financial solvency or security of any insurance company.

(ii) Any compensation of the types described above and disclosed to it does not constitute a conflict of interest and Client expressly waives any claims alleging any such conflict of interest.

(iii) The compensation payable to Gallagher is solely for the services set forth under this Agreement, as detailed in Exhibit A. To the extent any additional administrative, claims representative or other services are required, the parties may enter into a separate agreement covering such additional services.

## **5. Confidentiality**

(a) Confidential Information.

(i) As used in this Agreement, "**Confidential Information**" means any nonpublic, proprietary or personal data and information furnished by either party or its agents or representatives to the other party or its agents and representatives, whenever furnished and regardless of the manner or media in which such information is furnished, which the receiving party knows or reasonably should know to be confidential. Each party shall treat Confidential Information as confidential and only use it in the performance of its obligations under this Agreement.

(ii) The parties acknowledge that Confidential Information includes personal data provided to Gallagher by Client for the benefit of Client and/or its employees to facilitate the performance of services set forth in Exhibit A. Both Parties also agree that the Confidential Information may include information that alone, or in combination with other information, uniquely identifies an individual. Client agrees that Gallagher is permitted to disclose and transfer Client's Confidential Information to Gallagher's affiliates, agents or vendors that have a need to know the Confidential Information in connection with the services provided under this Agreement (including insurance carriers, as necessary, for quoting and/or placing insurance coverages). Gallagher has established security controls to protect Client Confidential Information from unauthorized use or disclosure. For additional information, please review Gallagher's Privacy Policy located at <https://www.ajg.com/privacy-policy/>.

(iii) Both Gallagher and Client agree to comply with all state and federal laws, rules, and orders that relate to privacy and data protection which are, or which in the future may be, applicable to Confidential Information, the services or the performance of obligations under this Agreement. Upon request, Gallagher will cooperate with Client pursuant to applicable law(s) to comply with requests from individuals regarding their personal information.

(b) HIPAA Privacy. Gallagher and Client will each comply with any prohibitions, restrictions, limitations, conditions, or other requirements to the extent they apply to them directly or indirectly pursuant to the Health Insurance Portability and Accountability Act of 1996 ("**HIPAA**") and its implementing regulation concerning privacy of individually identifiable health information as set forth in 45 CFR Parts 160-164, as amended from time to time. When required, Client, as a representative of the health plans, and Gallagher will enter into a separate Business Associate Agreement.

(c) Use of Names; Public Announcements. No party will use, in any commercial manner, the names, logos, trademarks or other intellectual property of the other party without its prior written consent. Except as may be required by law, no party will issue any press releases or make any public announcements of any kind regarding the relationship between the parties without the other party's prior consent.

(d) Aggregated Data. Gallagher shall own any non-identifying, aggregated and statistical data that might be derived from providing services to Client (the "**Aggregated Data**"). Nothing herein shall be construed as prohibiting Gallagher from utilizing the Aggregated Data for purposes of operating Gallagher's business. Gallagher shall not: (i) disclose to any third party any Aggregated Data that reveals Client's identity or its Confidential Information; or (ii) reveal the identity, whether directly or indirectly, of any individual whose specific data might be used by Gallagher on behalf of Client.

## **6. Indemnification Rights and Limitation of Liability**

(a) Indemnification. Each party agrees to defend, indemnify and hold the other party and its affiliates and their respective directors, officers, employees and agents harmless from any and all losses, liabilities, exposures, damages and all related costs and expenses, including reasonable legal fees, to the extent arising from or relating to any third party claims, demands, suits, allegations, or causes or threats of action based on the indemnifying party's: (i) breach of any representation, warranty or covenant made by such party hereunder, or (ii) grossly negligent

acts or omissions or intentional misconduct; provided, however, that the indemnifying party's indemnification obligations hereunder shall be reduced to the extent that such losses and damages arise from the acts or omissions of the other party or its employees or agents.

(b) Limitation of Liability. Notwithstanding any other term or provision of this Agreement, each party shall only be liable for actual damages incurred by the other party, and shall not be liable for any indirect, special, exemplary, reliance, consequential or punitive damages, or for any attorneys' fees other than as described in Section 6(a) above (whether incurred in a dispute or an action against the other, or as alleged damages that any party incurred in any insurance coverage dispute, or otherwise). Furthermore, unless otherwise noted in Exhibit A, the aggregate liability under this Agreement, if any, of either party to the other for claimed losses or damages shall not exceed \$1,000,000. This provision applies to the fullest extent permitted by applicable law. No claim or cause of action, regardless of form (tort, contract, statutory, or otherwise), arising out of, relating to or in any way connected with this Agreement or any services provided hereunder may be brought by either party any later than two (2) years after the accrual of such claim or cause of action.

(c) Sovereign Immunity. Notwithstanding any other provision set forth in this contract, nothing contained in this Agreement shall be construed as a waiver of the City's right to sovereign immunity under section 768.28, Florida Statutes, or other limitations imposed on the City's potential liability under state or federal law. As such, the City shall not be liable under this contract for punitive damages or interest for the period before judgment. Further, the City shall not be liable for any claim or judgment, or portion thereof, to any one person for more than two hundred thousand dollars (\$200,000.00), or any claim or judgment, or portion thereof, which, when totaled with all other damages or judgments paid by the State or its agencies and subdivisions arising out of the same incident or occurrence, exceeds the sum of three hundred thousand dollars (\$300,000.00). This paragraph shall survive termination of this contract.

## **7. Notices**

Any notices, requests or other communications pursuant to this Agreement will be addressed to the party at its address listed below. Such notices will be deemed to have been duly given, (i) if delivered in person or by courier, upon delivery; (ii) if sent by an overnight service with tracking capabilities, upon receipt; (iii) if sent by registered or certified mail, postage prepaid, within five (5) days of deposit in the mail; or (iv) if sent by fax or electronic mail, at such time as the party which sent the notice receives confirmation of receipt by the applicable method of transmittal.

If to the Client: City of Live Oak  
Attention: City Manager  
101 White Avenue S.E  
Live Oak, FL 32064

If to Gallagher: Gallagher Benefit Services, Inc.  
Attention: Kevin Murphy  
200 S. Orange Ave, Suite 750  
Orlando, FL 32801

Either party may, by written notice to the other, change the address to which notices to such party are to be delivered or mailed.

## **8. Public Records.**

Pursuant to Section 119.0701, Florida Statutes, the Parties agree to the following:  
(a) Keep and maintain public records required by the City to perform the service.

- (b) Upon request from the City's custodian of public records, provide the City 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 this chapter 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 the contract if the contractor does not transfer the records to the City.
- (d) Upon completion of the contract, transfer, at no cost, to the City all public records in possession of the contractor or keep and maintain public records required by the City to perform the service. If the contractor transfers all public records to the City upon completion of the contract, the contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the contractor keeps and maintains public records upon completion of the contract, the contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the City, upon request from the City's custodian of public records, in a format that is compatible with the information technology systems of the City.

**IF GALLAGHER HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, REGARDING GALLAGHER'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, GALLAGHER SHOULD CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT 386-362-2276, OR JGILL@CITYOFLIVEOAK.ORG OR 101 WHITE AVENUE S.E., LIVE OAK, FLORIDA 32064.**

**9. *Miscellaneous***

(a) Severability. The various provisions and subprovisions of this Agreement are severable and if any provision or subprovision or part thereof is held to be unenforceable by any court of competent jurisdiction, then such enforceability will not affect the validity or enforceability of the remaining provisions or subprovisions or parts thereof in this Agreement.

(b) Entire Agreement; Amendment. This Agreement, including all exhibits hereto, constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, whether oral or written, between the parties regarding the subject matter hereof. Except for changes in carriers and/or lines of coverage noted in Exhibit B, which may occur upon unilateral approval of Client, this Agreement may be modified or amended only by a written instrument executed by both parties. This Agreement may be executed by the parties in several counterparts, each of which shall be deemed to be an original copy.

(c) Waiver. No covenant, term or condition or the breach thereof will be deemed waived, except by written consent of the party against whom the waiver is claimed. Any waiver by either party hereto of any provision of this Agreement shall not be construed as a waiver of any other provision of this Agreement, nor shall such waiver be construed as a waiver of such provision with respect to any other event or circumstance, whether past, present or future.

(d) Governing Law; Rule of Construction. This Agreement will be construed, interpreted and enforced in accordance with the laws of the State of Florida without giving effect

to the choice of law principles thereof or any canon, custom or rule of law requiring construction against the drafter.

(e) Successors. This Agreement shall be binding upon and shall inure to the benefit of all assigns, transferees and successors in the interest of the parties hereto.

(f) Warranties. Except as expressly set forth in this Agreement, Gallagher makes no other warranties of any kind with respect to the Services, including, without limitation, warranties that may be implied from a course of performance, dealing or trade usage.

(g) Force Majeure. Neither party shall be liable to the other for any delay or failure to perform any of its obligations under this Agreement (other than payment obligations) as a result of flood, earthquake, storm, other act of God, fire, derailment, accident, labor dispute, explosion, war, act of terrorism, sabotage, insurrection, riot, embargo, court injunction or order, act of government or governmental agency or other similar cause beyond its reasonable control.

(h) Assignment. This Agreement shall apply to and bind the successors and assigns of the parties hereto, including, in the event of a party's insolvency, debtors-in-possession and any appointed trustee or administrator. This Agreement shall not be assignable by either party, except with the prior written consent of the other party; provided, however, that either party may assign this Agreement to an affiliate or in the event of a merger or sale, provided the assignee is willing and able to assume such party's obligations hereunder.

(i) Counterparts. This Agreement may be executed in multiple counterparts (including by scanned image or electronic signature), each of which shall be considered one and the same agreement, and shall become effective when signed by each of the parties hereto and delivered to the other party.

(j) Survival of Provisions. Sections 3, 5, 6, and 8 will survive the termination of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on the date first written above.

**CITY OF LIVE OAK**

By: Frank C. Davis  
Name: Frank C. Davis  
Title: Mayor  
Date: 8/8/23

**GALLAGHER BENEFIT SERVICES, INC.**

By: Kevin Murphy  
Kevin Murphy (Aug 4, 2023 14:26 EDT)  
Name: Kevin Murphy  
Title: Area President- FL/GA  
Date: Aug 4, 2023

## **EXHIBIT A SCOPE OF SERVICES**

Subject to any changes and additions as may be mutually agreed by the parties in writing, availability and delivery of data from the insurance carrier and other third party vendors, Gallagher will provide the following Services to Client on an "as needed" basis:

### **RENEWAL ANALYSIS:**

- Review and evaluate carrier projections
- Prepare "shadow" renewal projection
- Create financial modeling reports
- Coordinate carrier negotiations
- Create employee contribution modeling reports
- Assist with budget projections
- Provide renewal alternatives with cost impact of benefit plan changes

### **PERIODIC PLAN FINANCIAL REPORTS: (FREQUENCY TO BE MUTUALLY AGREED UPON)**

- Employee contributions
- Large claims tracking
- Identification of costs for specific line of coverage
- Comparison of plan costs to aggregate stop-loss projections, if applicable
- Utilization review
- Comparison to prior claim period
- Plan trends

### **ANNUAL FINANCIAL REPORTS (END OF YEAR ACCOUNTING):**

- Executive summary of program expenses
- Comparison of current costs to renewal costs
- Dollars saved by contract negotiation
- Percent of benefit dollars paid by employee
- Physician visit details
- Benefits paid by type of service

### **CARRIER MARKETING AND NEGOTIATIONS, AS DIRECTED BY CLIENT:**

- Work with Client to develop a strategy to identify goals, analyze program costs and review both current and alternative funding arrangements
- Manage the renewal process with the current carrier to control costs
- Implement carrier renewal strategies with Client
- Develop timeline covering every aspect from RFP preparation to the delivery of employee communications
- Provide analysis of employee disruption report and preparation of geo-access report
- Provide analysis of discounts offered by various carriers by using CPT codes and carrier pricing data
- Manage RFP development that tailors the RFP to the desires, needs and financial directions provided by Client
- Explore alternative funding solutions
- Evaluate vendor responses to track variations in coverage and costs as they are identified
- Conduct finalist interviews to investigate and document intangibles such as personalities, service orientation and responsiveness
- Draft renewal analysis report, based on renewal negotiation, covers program and claims cost projections as well as complete information on benefit designs

- Facilitate decision process by coordinating close collaboration and discussions among the Gallagher team and Client

**LEGISLATIVE AND REGULATORY COMPLIANCE SUPPORT:**

- Provide legislative updates, including Compliance Alerts, Webinars, Technical Bulletins and Directions newsletter
- Evaluate plan design to assist with compliance with state and federal regulations
- Provide general information and guidance to assist with compliance with ERISA, ACA, COBRA, HIPAA and other Federal legislation that directly affects the administration of plan benefits
- Provide template or sample compliance notices and enrollment forms as reasonably requested by Client

**DAY TO DAY ADMINISTRATIVE ASSISTANCE:**

- Provide assistance to Client's HR/benefits contacts to help with resolving carrier service issues
- Coordinate and participate in annual service meetings with Client and select carriers

**COMMUNICATION MATERIALS:**

- Assist with the drafting and distribution of participant Satisfaction Surveys
- Assist with the drafting and distribution of Open Enrollment-New Member Orientation summary information and any other communications pertaining to the health and welfare program
- Provide annual open enrollment guidance and employee meeting materials
- Assist with marketing and oversight of Customized Enrollment Materials (if elected)
- Assist with participant wellness initiatives, as directed by Client

**BENEFIT ADMINISTRATION ASSESSMENT:**

- Periodic evaluation of internal plan enrollment and benefit termination processes
- Review, coordinate and implement Client agreed upon plan "best practices" to help limit plan liability and increase participant satisfaction
- Help identify opportunities for streamlining and improving administration procedures

**BENEFIT PLAN DESIGN (OR REDESIGN):**

- Help Client identify business and HR objectives that impact benefits
- Review with Client possible benefit strategies to meet their objectives
- Help Client evaluate/review current scope of benefits package – e.g., types & levels of coverage
- Work with Client to develop funding and contribution strategies
- Assist with budget projections for design alternatives

**EXHIBIT B  
COMPENSATION DISCLOSURE STATEMENT**

Line of Coverage / Service	Company	Commission <sup>1&amp;2</sup>	Third Party Compensation	Direct Client Fees <sup>3</sup>	Effective Date
Medical	Florida Blue	7%	N/A	N/A	10/01/2022
Dental	Florida Blue	Graded 10%	N/A	N/A	10/01/2022
Vision	Standard	10%	N/A	N/A	10/01/2022
Life and AD&D	Standard	15%	N/A	N/A	10/01/2022
STD Employer Paid	Standard	15%	N/A	N/A	10/01/2022

It should also be noted that:

- Gallagher is not an affiliate of the insurer or vendor whose contract is recommended. This means the insurer or vendor whose contract is recommended does not directly or indirectly have the power to exercise a controlling influence over the management or policies of Gallagher.
- Gallagher's ability to recommend other insurance contracts or vendors is not limited by an agreement with any insurance carrier or vendor and Gallagher is effecting the transaction for applicable plan(s) in the ordinary course of Gallagher business. Thus, pertinent transaction(s) are at least as favorable to the applicable plan(s) as an arm's length transaction with an unrelated party.
- Gallagher is not a trustee of the plan(s) and is neither the Plan Administrator of the plan(s), a Named Fiduciary of the plan(s), nor an employer which has employees in the plan(s).

**For Employers and Plan Sponsors Subject to ERISA:** This Disclosure Statement is being given to the Client (1) to make sure Client knows about Gallagher's and Gallagher affiliates' income before purchasing the insurance product and/or vendor services and (2) for plans subject to ERISA, to comply with the disclosure, acknowledgment and approval requirement of Prohibited Transaction Class Exemption No. 84-24<sup>4</sup>, which protects both Client and Gallagher<sup>5</sup>, and the disclosure requirements under ERISA §408(b)(2), as amended by Div. BB, Title II, §202 of the Consolidated Appropriations Act, 2021. Disclosure must be made to responsible plan fiduciary for the ERISA Plan(s), and Client acknowledges and confirms that this is a reasonable transaction in the best interest of participants in its ERISA Plan(s).

For more information on Gallagher's compensation arrangements, please visit [www.ajg.com/us/about-us/disclosures](http://www.ajg.com/us/about-us/disclosures). In the event a client wishes to register a formal complaint regarding compensation Gallagher receives, please send an email to [Compensation\\_Complaints@ajg.com](mailto:Compensation_Complaints@ajg.com).

<sup>1</sup> Commissions include all commissions/fees paid to Gallagher that are attributable to a contract or policy between a plan and an insurance company, or insurance service. This includes indirect fees that are paid to Gallagher paid by a third party, and includes, among other things, the payment of "finders' fees" or other fees to Gallagher for a transaction or service involving the plan.

<sup>2</sup> Gallagher may receive supplemental compensation from insurance carriers and vendors, normally calculated at the end of each calendar year, that are contingent on a number of factors including the overall number of employer plans represented, plan retention rates, and overall premium growth. Historically, supplemental compensation has ranged, on average, between 0-3% based on specific carrier programs. These plans have no effect on premiums. Further, Gallagher may receive non-cash compensation from plan vendors or service providers that are not in connection with any particular client. If you have any questions regarding direct or indirect compensation received by Gallagher, please contact your dedicated Gallagher advisor or refer to the [Gallagher Global Standards of Business Conduct](#).

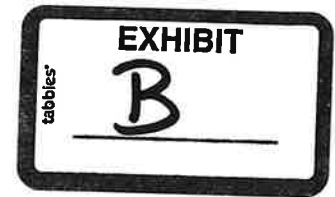
<sup>3</sup> Direct Fees include compensation to Gallagher paid for directly by the plan sponsor/Client.

<sup>4</sup> Which allows an exemption from a prohibited transaction under Section 408(a) of the Employee Retirement Income Security Act of 1974 (ERISA).

<sup>5</sup> In making these disclosures, no position is taken, nor is one to be inferred, regarding the use of assets of a plan subject to ERISA to purchase such insurance.



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Line of Coverage / Service	Company	Commission <sup>1&amp;2</sup>	Third Party Compensation	Direct Client Fees <sup>3</sup>	Effective Date
Medical	Florida Blue	4%	NA	NA	10/01/2023
Dental	MetLife	10%	NA	NA	10/01/2023
Vision	MetLife	10%	NA	NA	10/01/2023
Basic Life & ADD	MetLife	15%	NA	NA	10/01/2023
Short Term Disability	MetLife	15%	NA	NA	10/01/2023
Long Term Disability	MetLife	15%	NA	NA	10/01/2023
Accident Insurance	MetLife	60% Year 1, 5% Years 2+	NA	NA	10/01/2023
Critical Illness	MetLife	60% Year 1, 5% Years 2+	NA	NA	10/01/2023
Hospital Insurance	MetLife	55% Year 1, 6% Years 2+	NA	NA	10/01/2023
Indemnity Insurance Life + Care	MetLife	90% Year 1, 5% Years 2-10, 3% Years 11+	NA	NA	10/01/2023

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