

**STATE OFFICE of RISK MANAGEMENT
INTERAGENCY CONTRACT FOR
RISK MANAGEMENT & WORKERS' COMPENSATION COVERAGE**

STATE OF TEXAS §

COUNTY OF TRAVIS §

SORM CONTRACT # A644

This INTERAGENCY CONTRACT is made and entered into by and between the State Office of Risk Management (hereinafter referred to as SORM), a Texas state agency, acting by and through its Executive Director, and Texas Juvenile Justice Department having its principal executive office at 11209 Metric Boulevard, Bldg. H, Suite A, (hereinafter referred to as COVERED ENTITY), acting by and through its authorized representative(s), pursuant to authority granted in Chapter 771, §771.003 *et seq.*, Texas Government Code.

I. PURPOSE

- 1.1 The purpose of this INTERAGENCY CONTRACT is to state the terms and conditions under which COVERED ENTITY shall receive risk management services and workers' compensation coverage for its employees pursuant to Chapters 412 and/or 501, Texas Labor Code.

II. DESCRIPTION OF SERVICES

- 2.1 COVERED ENTITY shall receive the following services and benefits from SORM in consideration of the sums paid by the COVERED ENTITY:
- A. Access to a Risk Management Manual suitable for customization as needed to fit the entity's exposure environment;
 - B. Assistance in identifying property and liability losses, including workers' compensation losses;
 - C. Assistance in reducing property and liability losses, including workers' compensation losses;
 - D. Assistance in the implementation of a comprehensive risk management program that meets established guidelines;
 - E. Access to other lines of insurance and insurance consultation services established by SORM pursuant to §412.011, Texas Labor Code; and
 - F. Workers' compensation coverage for its employees in accordance with Chapters 412 and/or 501, Texas Labor Code.

III. DUTIES OF COVERED ENTITY

- 3.1 The COVERED ENTITY shall have the following duties under this INTERAGENCY CONTRACT:
- A. Performance of all duties required of an employer under the Texas Workers' Compensation Act in relation to its employees and covered injuries;
 - B. Compliance with the regulations and policies of SORM relating to its risk management practices and plans;
 - C. Filing complete and timely reports as required by SORM, including reports relating to losses, injuries, insurance purchases, and insurance payments; and
 - D. Timely payment of assessments for risk management and workers' compensation coverage.

IV. TERM

- 4.1 The term of this INTERAGENCY CONTRACT shall be from **September 1, 2015**, and ending on **August 31, 2017**, and shall govern services provided and losses paid for FY 2016 and FY 2017.

V. AMOUNT OF CONTRACT

- 5.1 The COVERED ENTITY shall pay SORM for the services provided an amount assessed in accordance with 28 Tex. Admin. Code §251.507.
- 5.2 COVERED ENTITY will have no liability to SORM for risk management services or workers' compensation losses in excess of the assessment during the covered fiscal year.

VI. TERMS OF PAYMENT

- 6.1 Payment of the sums due under this INTERAGENCY CONTRACT shall be made in accordance with Comptroller's Accounting Policy Statement (APS-014).
- 6.2 Payment is due upon receipt of invoice unless the COVERED ENTITY has been approved to make payment in installments pursuant to 28 Tex. Admin. Code §251.513(b).
- 6.3 In accordance with GAA, 84th Legislature, Article IX, section 15.02, subsection (c) (1), an initial invoice shall be presented to entities excluding 25 percent of the claim cost portion of the calculated annual assessment. Payment of the invoiced amount must be made from appropriate funding sources. The assessment shall be paid from funds held or controlled by the COVERED ENTITY in the same proportion as the composition of the salaries of the COVERED ENTITY's covered employees including General Revenue Funds, dedicated General Revenue Fund accounts, Other Funds or local bank accounts.
- 6.4 Not later than May 1 of each fiscal year, SORM shall determine, based on actual costs since the beginning of the fiscal year and other estimated costs, the remaining assessment due from each entity. SORM shall prepare a statement reflecting the remaining assessments due from each entity and present the statement to the Comptroller. Each entity shall transfer to SORM the remaining assessed allocation amounts for workers' compensation coverage for their employees from funding in the same proportion as their expected payroll funding, including General Revenue Funds, dedicated General Revenue Fund accounts, Other Funds or local bank accounts.

VII. MODIFICATION OF CONTRACT

- 7.1 Except when the terms of this INTERAGENCY CONTRACT expressly provide otherwise, any alterations, additions or deletions to the terms hereof shall be by amendment in writing executed by both SORM and COVERED ENTITY, dated subsequent to the date hereof.
- 7.2 It is understood and agreed by the parties hereto, that changes in state and federal rules, regulations or laws applicable hereto may occur during the term of this INTERAGENCY CONTRACT and that any such changes shall be automatically incorporated into this INTERAGENCY CONTRACT without written amendment hereto, and shall become a part hereof as of the effective date of the rule, regulation or law. COVERED ENTITY expressly agrees to comply with all applicable federal, state and local laws.

VIII. NOTICES

- 8.1 Any notice required or permitted to be given under this INTERAGENCY CONTRACT shall be sufficient if given at the addresses set forth below or to any other address of which written notice of change is given:

SORM
State Office of Risk Management
Attn.: Executive Director
P.O. Box 13777
Austin, Texas 78711-3777

COVERED ENTITY
Texas Juvenile Justice Department
Attn: Executive Director
P.O. Box 12757
Austin, TX 78711

IX. CAPTIONS

- 9.1 The captions to the various clauses of this INTERAGENCY CONTRACT are for information purposes only and shall not alter the substance of the terms and conditions of this INTERAGENCY CONTRACT.

X. SUCCESSORS AND ASSIGNS

- 10.1 This INTERAGENCY CONTRACT shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and their assigns, except, as otherwise expressly provided for herein.

XI. VENUE AND GOVERNING LAW

- 11.1 Venue of any court action brought directly or indirectly by reason of this INTERAGENCY CONTRACT shall be in Travis County, Texas. This INTERAGENCY CONTRACT is made and is to be performed in Travis County, Texas, and is governed by the laws of the State of Texas.

XII. ENTIRE AGREEMENT

- 12.1 This INTERAGENCY CONTRACT, including any Exhibits, embodies the final and entire agreement of the parties hereto, superseding all oral or written, previous and/or contemporaneous, agreements between the parties and relating to matters in this INTERAGENCY CONTRACT. No other agreements, oral or otherwise, regarding the matters of this INTERAGENCY CONTRACT shall be deemed to exist or to bind the parties hereto unless same be in writing, dated subsequent to the date hereof, and executed by the parties hereto.

XIII. LEGAL AUTHORITY

- 13.1 The signer of this INTERAGENCY CONTRACT for COVERED ENTITY represents, warrants, assures and guarantees that he or she has full legal authority, to execute this INTERAGENCY CONTRACT on behalf of COVERED ENTITY and to bind COVERED ENTITY to all the terms, conditions, provisions and obligations herein contained.

XIV. SEVERABILITY

- 14.1 If any clause or provision of this INTERAGENCY CONTRACT is held invalid, illegal or unenforceable under present or future federal, state or local laws, then, and in that event, it is the intention of the parties hereto that such invalidity, illegality or unenforceability shall not affect any other clause or provision hereof and that the remainder of this INTERAGENCY CONTRACT shall be construed as if such invalid, illegal or unenforceable clause or provision was never contained herein. It is also the intention of the parties hereto that in lieu of each clause or provision of this INTERAGENCY CONTRACT that is invalid, illegal or unenforceable, there be added as part of the INTERAGENCY CONTRACT, a clause or provision

as similar in terms to such invalid, illegal or unenforceable clause or provision as may be possible, legal, valid and enforceable.

EXECUTED this the 29th day of July, 2015, by SORM, signing by and through its Executive Director, duly authorized to execute same, and by COVERED ENTITY, acting through its duly authorized officials.

STATE OFFICE of RISK MANAGEMENT

By: 

(DIGITIZED SIGNATURE)

Stephen S. Vollbrecht, J.D.
State Risk Manager
Executive Director

COVERED ENTITY

By: 

TITLE Executive Director

DATE 8/18/15

APPROVED AS TO FORM:
(DIGITIZED SIGNATURE)

By: 

Deea Western
General Counsel