



101 W. Renner Road  
Suite 325  
Richardson, TX 75082 USA

Tel +1 214 570 8456

milliman.com

April 26, 2024

**Ms. Shannon C. Francis**

Assistant General Counsel, Commissioners Court  
Williamson County  
401 W. 6<sup>th</sup> Street  
Georgetown, Texas 78626

**Re: Actuarial Services – Williamson County Self-Insured Workers Compensation Program**

Dear Shannon:

The following letter outlines Milliman's proposed actuarial services and associated flat fee to Williamson County, Texas (Wilco) for an analysis of its self-insured workers compensation program.

**SCOPE OF SERVICES**

We understand that Wilco's self-insured workers compensation program began 10/1/2023. Williamson requested that Milliman, Inc. (Milliman) provide an independent analysis of its unpaid losses and allocated loss adjustment expenses (ALAE), including loss funding estimates for the prospective year beginning 10/1/2024.

Our estimates will be for Wilco as a whole. They will not include an allocation of claim costs to department. Our estimates will be presented on both an undiscounted and discounted basis to reflect the potential investment income that can be earned on loss funds held.

At the conclusion of our analysis, we will issue a draft report which explains the details of our analysis and results. Generally, we will provide a draft report of our findings within three weeks of receiving all required data and information. Once we have received your feedback on the draft report, we will issue our final report. The timing of the final report will depend on the scope of changes to the draft report. To the extent possible, we will work within any schedule or deadlines Wilco requires.

**COST OF SERVICES**

Milliman agrees to perform the above scope of work for a flat fee of **\$6,800**. We note that this amount does not include necessary project-related expenses. For this assignment, we expect project-related expenses to be minimal, if any.


The above fee quote assumes that the necessary data and information for our analysis is available in a usable format and does not require extensive manipulation or compilation prior to use. In projects of this nature, it is not unusual for the client to request additional services or to change the scope of the assignment. If you request additional work, or if additional work becomes necessary due to data availability or unexpected results, we will discuss with you the likely additional charges before proceeding.

All work will be subject to the terms and conditions of the Consulting Services Agreement between Milliman and Wilco effective May 1, 2024.



We look forward to answering any questions you have regarding this engagement and working with you on this project. Feel free to call me at (214) 570-8456 if you have any questions or would like to discuss further.

Sincerely,

A handwritten signature in blue ink that reads "David M. Lang".

David M. Lang, FCAS, MAIA  
Principal & Consulting Actuary

Attachments: Consulting Services Agreement



On behalf of **Williamson County, Texas**, I authorize Milliman, Inc. to undertake these services under the terms described above.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## CONSULTING SERVICES AGREEMENT

This Consulting Services Agreement (“Agreement”) is entered into between Milliman, Inc. (“Milliman”) and Williamson County, Texas (“Client”) as of the date of the last party’s execution below. Client has engaged Milliman to perform consulting services as described in a statement of work or engagement letter which references this Agreement. Such services may be modified from time to time and may also include general actuarial consulting services. The terms and conditions of this Agreement will apply to all subsequent engagements of Milliman by Client unless specifically disclaimed in writing by both parties prior to the beginning of such engagement. In consideration for Milliman agreeing to perform these services, Client agrees as follows:

1. **BILLING TERMS.** Client acknowledges the obligation to pay Milliman for services rendered, whether arising from Client’s request or otherwise necessary as a result of this engagement, at Milliman’s hourly billing rates for the personnel utilized plus all out-of-pocket expenses incurred as authorized herein. Milliman will bill Client periodically for services rendered and expenses incurred. All invoices shall be paid in accordance with Chapter 2251 of the Texas Government Code. Milliman reserves the right to terminate this Agreement if any bill goes unpaid for 60 days. In the event of such termination, Milliman shall be entitled to collect the outstanding balance, as well as charges for all services and expenses incurred up to the date of termination.

**AUTHORIZED EXPENSES:** In the event Client authorizes, in advance and in writing, reimbursement of non-labor expenses related to the services subject of this Contract, Client will pay such actual non-labor expenses in strict accordance with the Williamson County Vendor Reimbursement Policy (as amended), which is incorporated into and made a part of this Contract by reference. The Williamson County Vendor Reimbursement Policy can be found on the County Auditor’s webpage on the Williamson County website at: [www.wilcotx.gov/351/Vendor-Reimbursement](http://www.wilcotx.gov/351/Vendor-Reimbursement). Invoices requesting reimbursement for authorized non-labor expenses must be accompanied by copies of the provider’s invoice and clearly set forth the actual cost of the expenses, without markup.

2. **TOOL DEVELOPMENT.** Milliman shall retain all rights, title, and interest (including, without limitation, all copyrights, patents, service marks, trademarks, trade secret, and other intellectual property rights) in and to all technical or internal designs, data, databases, methods, ideas, concepts, know-how, techniques, generic documents, and templates that have been previously developed by Milliman or developed during the course of the provision of the services (the “Milliman Tools”) provided such generic documents or templates do not contain any Client Confidential Information, as defined in the Section below entitled “Confidentiality”. Rights and ownership by Milliman of the Milliman Tools shall not extend to or include all or any part of Client’s Confidential Information. To the extent that Milliman may include in Milliman’s work any Milliman Tools, Milliman agrees that Client shall be deemed to have a fully paid up license to make copies of the Milliman Tools as part of this engagement for its internal business purposes and provided that such Milliman Tools cannot be modified or distributed outside the Client without the written permission of Milliman or except as otherwise permitted herein under the Section below entitled “No Third Party Distribution”.
3. **CLIENT DATA.** Client hereby authorizes Milliman to use the data specifically pertaining to Client and/or its employees, agents and customers that Milliman may obtain in the course of performing services (the “Client Data”) for the purpose of enabling Milliman to perform services. Client warrants and covenants that, throughout the term of this Agreement, Client has, and will have, the right to authorize Milliman’s use of the Client Data as set forth in this Agreement. In addition, Client grants Milliman the right to deidentify and aggregate Client Data and to use such deidentified and aggregated data (“Pooled Client Data”) for its own purposes, provided that such data is never re-identified or associated with Client. Such deidentified and aggregated data shall not be considered Client Data.
4. **LIMITATION OF LIABILITY.** Milliman will perform all services in accordance with applicable professional standards. In the event of any claim(s) arising from services provided by Milliman at any time, the total liability of Milliman, its officers, directors, agents, and employees to Client shall not exceed, in the aggregate, five million dollars (\$5,000,000). This limit applies regardless of the theory of law under which a claim is brought, including negligence, tort, contract, or otherwise. In no event shall Milliman be liable for lost profits of Client or any other type of incidental or consequential damages. The foregoing limitations shall not apply in the event of the intentional fraud or willful misconduct of Milliman.
5. **DISPUTES.** In the event of any dispute arising out of or relating to the engagement of Milliman by Client, the parties agree that the dispute will be resolved by final and binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association. The arbitration shall take place before a panel of three arbitrators. Within 30 days of the commencement of the arbitration, each party shall designate in writing a

single neutral and independent arbitrator. The two arbitrators designated by the parties shall then select a third arbitrator. The arbitrators shall have a background in insurance, actuarial science, or law. The arbitrators shall have the authority to permit limited discovery, including depositions, prior to the arbitration hearing, and such discovery shall be conducted consistent with the Federal Rules of Civil Procedure. The arbitrators shall have no power or authority to award punitive or exemplary damages. The arbitrators may, in their discretion, award the cost of the arbitration, including reasonable attorneys' fees, to the prevailing party. Any award made may be confirmed in any court having jurisdiction. Any arbitration shall be confidential and, except as required by law, neither party may disclose the content or results of any arbitration hereunder without the prior written consent of the other party, except that disclosure is permitted to a party's auditors and legal advisors.

6. **CHOICE OF LAW.** The construction, interpretation, and enforcement of this Agreement shall be governed by the substantive contract law of the State of Texas without regard to its conflict of laws provisions. In the event any provision of this Agreement is unenforceable as a matter of law, the remaining provisions will stay in full force and effect.
7. **NO THIRD PARTY DISTRIBUTION.** Milliman's work is prepared solely for the use and benefit of Client in accordance with its statutory and regulatory requirements. Milliman recognizes that materials it delivers to Client may be public records subject to disclosure to third parties, however, Milliman does not intend to benefit and assumes no duty or liability to any third parties who receive Milliman's work and Milliman may include disclaimer language on its work so stating. Client agrees not to remove any such disclaimer language from Milliman's work. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Client agrees that it shall not disclose Milliman's work to any third parties without Milliman's prior written consent; provided, however, that Client may distribute Milliman's work to its professional service providers who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to provide services to Client, and any applicable regulatory or governmental agency, as required by law.
8. **USE OF NAME.** Client agrees that it shall not use Milliman's name, trademarks, or service marks, or refer to Milliman directly or indirectly in any media release, public announcement, or public disclosure, including in any promotional or marketing materials, customer lists, referral lists, websites, or business presentations, without Milliman's prior written consent for each such use or release, which consent shall be given in Milliman's sole discretion.
9. **CONFIDENTIALITY.** In connection with this Agreement, each party hereto (a "disclosing party") may disclose its confidential and proprietary information to the other party (a "receiving party"). Subject to the exceptions listed below, a disclosing party's "Confidential Information" means as information disclosed by the disclosing party to the receiving party under this Agreement that is either: (i) clearly marked or otherwise clearly designated as confidential or proprietary; or (ii) should be reasonably understood by the receiving party to be the confidential or proprietary information of the disclosing party.. During the term of this Agreement and after its expiration or termination, a receiving party shall not disclose to any third party a disclosing party's Confidential Information without the prior written consent of the disclosing party. In addition, each party agrees to take reasonable measures to protect the other party's Confidential Information and to ensure that such Confidential Information is not disclosed, distributed, or used in violation of this Agreement (which measures shall be no less than that which a reasonable person would take with respect to like confidential, proprietary, or trade secret information). Notwithstanding anything to the contrary, the obligations of the receiving party set forth in this paragraph shall not apply to any information of the disclosing party which: (i) is or becomes a part of the public domain through no wrongful act of the receiving party; (ii) was in the receiving party's possession free of any obligation of confidentiality at the time of the disclosing party's communication thereof to the receiving party; (iii) is developed by the receiving party completely independent from the Confidential Information of the disclosing party; or (iv) is required by law or regulation to be disclosed, but only to the extent and for the purpose of such required disclosure after providing the disclosing party with advance written notice, if reasonably possible, such that the disclosing party is afforded an opportunity to contest the disclosure or seek an appropriate protective order.
10. **GENERAL.** This Agreement and any amendment hereto may be executed in two or more counterparts (including by facsimile or email attachment), each of which will be considered an original and all of which together will constitute one agreement. This Agreement shall not be deemed or construed to be modified, amended, or waived, in whole or in part, except by a separate written agreement duly executed by the parties to this Agreement. No document, purchase order, or any handwritten or typewritten text which purports to alter

or amend the printed text of this Agreement shall alter or amend any provision of this Agreement or otherwise control, unless Milliman and Client both specify in writing that such terms or conditions shall control. Neither party shall be liable for any delay or failure to perform due to causes beyond its reasonable control. Milliman and Client are independent contractors and this Agreement will not establish any relationship of partnership, joint venture, employment, franchise, or agency between Milliman and Client. Neither Milliman nor Client will have the power to bind the other or incur obligations on the other party's behalf without the other party's prior written consent. Failure to enforce any term or condition of this Agreement shall not be deemed a waiver of the right to later enforce such term or condition or any other term or condition of this Agreement.

[Signature Page Follows]

This Consulting Service Agreement between Milliman, Inc. and Williamson County, Texas is executed as of the date of the last party's execution below.

**Milliman, Inc.**

**Williamson County, Texas**

By David M. Lang  
Print Name: David Lang

By \_\_\_\_\_  
Print Name: \_\_\_\_\_

Title: Principal & Consulting Actuary

Title: \_\_\_\_\_

Date: 10-3-2024

Date: \_\_\_\_\_

# **Williamson County**

## **Vendor Reimbursement Policy**

The purpose of this Williamson County Vendor Reimbursement Policy (“Policy”) is to provide clear guidelines to vendors on Williamson County’s expectations and requirements regarding allowable reimbursable expenditures and required backup. The Policy will also minimize conflicts related to invoice payments and define non-reimbursable items. This Policy is considered a guideline and is not a contract.

This Policy may be altered, deleted or amended, at any time and without prior notice to vendors, by action of the Williamson County Commissioners Court. Unenforceable provisions of this Policy, as imposed by applicable law, regulations, or judicial decisions, shall be deemed to be deleted. Any revisions to this Policy will be distributed to all current vendors doing business with the County.

### **1. Invoices and Affidavits**

- 1.1 Invoices must adequately describe the goods or services provided to County and include all required backup (i.e. reimbursable expenses, mileage log, timesheets, receipts detailing expenses incurred etc.) that is in a form acceptable to the Williamson County Auditor. Invoices that do not adequately describe the goods or services provided to County or contain backup that is satisfactory to the Williamson County Auditor will be returned to vendor for revisions and the provision above relating to invoice errors resolved in favor of the County shall control as to the required actions of vendor and when such invoice must be paid by the County.
- 1.2 In the event an invoice includes charges based upon hourly billing rates for services or any other rates based upon the amount of time worked by an individual or individuals in performing services, whether the charges are being billed directly to the County or whether they are the basis of invoices from subcontractors for which the vendor seeks reimbursement from the County, the charges shall be accompanied by an affidavit signed by an officer or principal of the vendor certifying that the work was performed, it was authorized by the County and that all information contained in the invoice that is being submitted is true and correct.
- 1.3 Upon County’s request, vendor must submit all bills paid affidavits wherein vendor must swear and affirm that vendor has paid each of its subcontractors, laborers, suppliers and material in full for all labor and materials provided to vendor for or in connection with services and work performed for County and, further, vendor must swear and affirm that vendor is not aware of any unpaid bills, claims, demands, or causes of action by any of its subcontractors, laborers, suppliers, or material for or in connection with the furnishing of labor or materials, or both, for services and work performed for County.

### **2. Travel Reimbursement**

- 2.1 The County will only cover costs associated with travel for vendors outside a 45-mile radius from the Williamson County Courthouse, 710 Main Street, Georgetown, Texas 78626.
- 2.2 The County will only cover costs associated with travel as documented work for County. If a vendor is also doing business for another client, the travel costs must be split in proportion to the amount of work actually performed for the County and the other client. The only allowable travel expense will be for the specific days worked for Williamson County.
- 2.3 No advance payments will be made to vendor for travel expenditures. The travel expenditure may only be reimbursed after the expenditure/trip has already occurred and vendor has provided the Williamson County Auditor with all necessary and required backup.



- 2.4 Vendors must submit all travel reimbursement requests on each employee in full. Specifically, a travel reimbursement request must include all related travel reimbursement expenses relating to a particular trip for which vendor seeks reimbursement. Partial travel reimbursement requests will not be accepted (i.e. vendor should not submit hotel and mileage one month then the next month submit rental car and airfare). If the travel reimbursement appears incomplete, the invoice will be sent back to the vendor to be submitted when all information is ready to submit in full.
- 2.5 Reimbursement for transportation costs will be at the most reasonable means of transportation (i.e.: airline costs will be reimbursed for coach rate, rental car costs will only be reimbursed if rental car travel was most reasonable means of travel as compared to travel by air).
- 2.6 The County will not be responsible for, nor will the County reimburse additional charges due to personal preference or personal convenience of individual traveling.
- 2.7 The County will not reimburse airfare costs if airfare costs were higher than costs of mileage reimbursement.
- 2.8 Additional expenses associated with travel that is extended to save costs (i.e. Saturday night stay) may be reimbursed if costs of airfare would be less than the cost of additional expenses (lodging, meals, car rental, mileage) if the trip had not been extended. Documentation satisfactory to the Williamson County Auditor will be required to justify expenditure.
- 2.9 County will only reimburse travel expense to necessary personnel of the vendor (i.e. no spouse, friends or family members).
- 2.10 Except as otherwise set forth herein, a vendor must provide a paid receipt for all expenses. If a receipt cannot be obtained, a written sworn statement of the expense from the vendor may be substituted for the receipt.
- 2.11 Sales tax for meals and hotel stays are the only sales taxes that will be reimbursed. Sales tax on goods purchased will not be reimbursed. A sales tax exemption form is available from the Williamson County Auditor's Office upon request.
- 2.12 The County will not pay for any late charges on reimbursable items. It is the responsibility of the vendor to pay the invoice first and seek reimbursement from the County.

### **3. Meals**

- 3.1 Meal reimbursements are limited to a maximum of \$59.00 per day on overnight travel. On day travel (travel that does not require an overnight stay), meal reimbursements are limited to a maximum of \$25.00 per day. The travel must be outside the Williamson County Courthouse, 710 Main Street, Georgetown, Texas 78626 by a 45-mile radius.
- 3.2 Receipts are required on meal reimbursement amounts up to the maximum per day amount stated for overnight or day travel. If receipts are not presented, the vendor can request per diem (per diem limits refer to 3.2). However, a vendor cannot combine per diem and meal receipts. Only one method shall be allowed.
- 3.3 Meals are reimbursable only to vendors who do not have necessary personnel located within a 45-mile radius of the Williamson County Courthouse, 710 Main Street, Georgetown, Texas 78626, who are capable of carrying the vendor's obligations to the County. Meals will not be reimbursed to vendors who are located within a 45-mile radius of the Williamson County Courthouse.
- 3.4 County will not reimburse for alcoholic beverages.
- 3.5 Tips are reimbursable but must be reasonable to limitation of meal allowance
- 3.6 No meals purchased for entertainment purposes will be allowed.
- 3.7 Meal reimbursement must be substantiated with a hotel receipt.

#### **4. Lodging**

- 4.1 Hotel accommodations require an itemized hotel folio as a receipt. The lodging receipt should include name of the motel/hotel, number of occupant(s), goods or services for each individual charge (room rental, food, tax, etc.) and the name of the occupant(s). Credit card receipts or any other form of receipt are not acceptable.
- 4.2 Vendors will be reimbursed for a single room rate charge plus any applicable tax. If a single room is not available, the vendor must provide documentation to prove that a single room was not available in order to justify the expense over and above the single room rate. A vendor may also be required to provide additional documentation if a particular room rate appears to be excessive.
- 4.3 Personal telephone charges, whether local or long distance, will not be reimbursed.

#### **5. Airfare**

- 5.1 The County will only reimburse up to a coach price fare for air travel.
- 5.2 The County will exclude any additional charges due to personal preference or personal convenience of the individual traveling (i.e. seat preference charges, airline upgrades, etc. will not be an allowable reimbursement)
- 5.3 Air travel expenses must be supported with receipt copy of an airline ticket or an itinerary with actual ticket price paid. If tickets are purchased through a website, vendor must submit a copy of the webpage showing the ticket price if no paper ticket was issued.
- 5.4 Cancellation and/or change flight fees may be reimbursed by the County but vendor must provide the Williamson County Auditor with documentation in writing from a County department head providing authorization for the change.
- 5.5 The County will not reimburse vendor for tickets purchased with frequent flyer miles.

#### **6. Car Rental**

- 6.1 Vendors that must travel may rent a car at their destination when it is less expensive than other transportation such as taxis, airport shuttles or public transportation such as buses or subways.
- 6.2 Cars rented must be economy or mid-size. Luxury vehicle rentals will not be reimbursed. Any rental costs over and above the cost of a mid-size rental will be adjusted.
- 6.3 Vendors will be reimbursed for rental cars if the rental car cost would have been less than the mileage reimbursement cost (based on the distance from vendor's point of origin to Williamson County, Texas) had the vendor driven vendor's car.
- 6.4 Vendors must return a car rental with appropriate fuel levels as required by rental agreement to avoid the car rental company from adding fuel charges.
- 6.5 Rental agreement and credit card receipt must be provided to County as back up for the request for reimbursement.
- 6.6 Insurance purchased when renting vehicle may also be reimbursed.
- 6.7 Car Rental optional extras such as GPS, roadside assistance, and administrative fees on Tolls will not be reimbursed.

#### **7. Personal Car Usage**

- 7.1 Personal vehicle usage will be reimbursed in an amount equal to the standard mileage rate allowed by the IRS.
- 7.2 Per code of Federal Regulations, Title 26, Subtitle A, Chapter 1, Subchapter B, Part IX, Section 274(d), all expense reimbursement requests must include the following:
  - 7.2.1.1 Date
  - 7.2.1.2 Destination
  - 7.2.1.3 Purpose

- 7.2.1.4 Name of traveler(s)
- 7.2.1.5 Correspondence that verifies business purpose of the expense
- 7.3 The mileage for a personal vehicle must document the date, location of travel to/from, number of miles traveled and purpose of trip.
- 7.4 Mileage will be reimbursed on the basis of the most commonly used route.
- 7.5 Reimbursement for mileage shall not exceed the cost of a round trip coach airfare.
- 7.6 Reimbursement for mileage shall be prohibited between place of residence and usual place of work.
- 7.7 Mileage should be calculated from employee's regular place of work or their residence, whichever is the shorter distance when traveling to a meeting or traveling to Williamson County, Texas for vendors who are located outside of the Williamson County Courthouse, 710 Main Street, Georgetown, Texas 78626 by at least a 45-mile radius.
- 7.8 When more than one person travels in same vehicle, only one person may claim mileage reimbursement.
- 7.9 Tolls, if reasonable, are reimbursable. Receipts are required for reimbursement. If a receipt is not obtainable, then written documentation of expense must be submitted for reimbursement (administrative fees on Tolls will not be reimbursed).
- 7.10 Parking fees, if reasonable are reimbursable for meetings and hotel stays. For vendors who contract with a third party for visitor parking at vendor's place of business, Williamson County will not reimburse a vendor based on a percentage of its contracted visitor parking fees. Rather, Williamson County will reimburse Vendor for visitor parking on an individual basis for each time a visitor uses Vendor's visitor parking. Receipts are required for reimbursement. If a receipt is not obtainable, then written documentation of expense must be submitted for reimbursement.
- 7.11 Operating and maintenance expenses as well as other personal expenses, such as parking tickets, traffic violations, and car repairs and collision damage are not reimbursable.

## **8. Other Expenses**

- 8.1 Taxi fare, bus tickets, conference registrations, parking, etc. must have a proper original receipt.

## **9. Repayment of Non-reimbursable Expense.**

Vendors must, upon demand, immediately repay County for all inappropriately reimbursed expenses whenever an audit or subsequent review of any expense reimbursement documentation finds that such expense was reimbursed contrary to these guidelines and this Policy. Williamson County reserves the right to retain any amounts that are due or that become due to a vendor in order to collect any inappropriately reimbursed expenses that a vendor was paid.

## **10. Non-Reimbursable Expenses**

In addition to the non-reimbursable items set forth above in this Policy, the following is a non-exhaustive list of expenses that will not be reimbursed by Williamson County:

- 10.1 Alcoholic beverages/tobacco products
- 10.2 Personal phone calls
- 10.3 Laundry service
- 10.4 Valet service (excludes hotel valet)
- 10.5 Movie rentals
- 10.6 Damage to personal items
- 10.7 Flowers/plants

- 10.8 Greeting cards
- 10.9 Fines and/or penalties
- 10.10 Entertainment, personal clothing, personal sundries and services
- 10.11 Transportation/mileage to places of entertainment or similar personal activities
- 10.12 Upgrades to airfare, hotel and/or car rental
- 10.13 Airport parking above the most affordable rate available
- 10.14 Excessive weight baggage fees or cost associated with more than two airline bags
- 10.15 Auto repairs
- 10.16 Babysitter fees, kennel costs, pet or house-sitting fees
- 10.17 Saunas, massages or exercise facilities
- 10.18 Credit card delinquency fees or service fees
- 10.19 Doctor bills, prescription and other medical services
- 10.20 Hand tools
- 10.21 Safety Equipment (hard hats, safety vests, etc.)
- 10.22 Office Supplies
- 10.23 Lifetime memberships to any association
- 10.24 Donations to other entities
- 10.25 Any items that could be construed as campaigning
- 10.26 Technology Fees
- 10.27 Sales tax on goods purchased
- 10.28 Any other expenses which Williamson County deems, in its sole discretion, to be inappropriate or unnecessary expenditures.