

**AMENDMENT #4  
TO AGREEMENT BETWEEN  
COUNTY OF MONTEREY & BICKMORE AND ASSOCIATES, INC. dba  
BICKMORE RISK SERVICES, INC.**

**THIS AMENDMENT** is made to the AGREEMENT for the provision of annual actuarial analysis of workers' compensation and general liability self-insurance programs, safety consulting, claims consulting and Risk Management Services by and between **BICKMORE AND ASSOCIATES, INC. dba BICKMORE RISK SERVICES, INC.**, hereinafter "CONTRACTOR", and the County of Monterey, a political subdivision of the State of California, hereinafter referred to as "County".

**WHEREAS**, the County and CONTRACTOR entered into the original AGREEMENT on August 30, 2008; and

**WHEREAS**, the AGREEMENT was amended by the parties on July 17, 2009 by Amendment No. 1, to extend the term to August 30, 2011 and increase the total compensation to \$60,000; and

**WHEREAS**, the AGREEMENT was amended by the parties on February 12, 2010, by Amendment No. 2 to modify the Scope of Services and increase the total compensation to not to exceed \$100,000; and

**WHEREAS**, the AGREEMENT was amended by the parties on May 24, 2011, by Amendment No. 3 to extend the term to June 30, 2012 and increase the total compensation to not to exceed \$190,000; and **WHEREAS**, the County and CONTRACTOR now wish to extend this contractual term through **June 30, 2015**, by way of Amendment #4, and increase total compensation for this three year period by \$300,000, from \$190,000 to **\$490,000**.

**NOW THEREFORE**, the County and CONTRACTOR hereby agree to amend the AGREEMENT as follows:

1. Section 2., "**PAYMENTS BY THE COUNTY**" shall be amended by removing, "The total amount payable by County to CONTRACTOR under this Agreement shall not exceed the sum of \$190,000." and replacing it with "**The total amount payable by County to CONTRACTOR under this Agreement shall not exceed the sum of \$490,000**". **This Amount increases funds for remainder of current Agreement expiring June 30, 2012, including FY 2012-13, FY 2013-14 and FY 2014-15.**
2. Section 3., "**TERM OF AGREEMENT**" shall be amended by removing "The term of the Agreement is from August 30, 2008 to June 30, 2012" and replacing it with "**The term of this agreement is from August 30, 2008 to June 30, 2015**".
3. **EXHIBIT A** Scope of Services/Payment Provisions shall be replaced with **Exhibit A-Scope of Services/Payment Provisions (6/26/12)** and County shall pay CONTRACTOR in accordance with the payment provisions set forth therein.
4. Except as provided herein, all remaining terms, conditions and provisions of the AGREEMENT are unchanged and unaffected by this AMENDMENT #4 and shall continue in full force and effect as set forth in the AGREEMENT.



**EXHIBIT-A  
(6/26/12)**

**To  
Professional Service Agreement  
by and between  
COUNTY OF MONTEREY, hereinafter referred to as "County"  
AND  
BICKMORE AND ASSOCIATES dba BICKMORE RISK SERVICES & CONSULTING,  
hereinafter referred to as "CONTRACTOR"**

**A. SCOPE OF SERVICES**

**A.1** CONTRACTOR shall provide services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:

**I. Actuarial Services**

- Calculate program funding levels for the 2012-13, 2013-14 and 2014-15 program years at the expected level as well as at various confidence levels.
- Determine appropriate rates for claims incurred during the 2012-13, 2013-14, and 2014-15 program years at the expected level as well as at various confidence levels.
- Estimate required funding for the programs' outstanding losses and loss adjustment expenses for all preceding fiscal years as of June 30, 2012, June 30, 2013 and June 30, 2014. The outstanding losses and loss adjustment expenses are to be stated at the expected level as well as various confidence levels.
- Provide each of the estimates specified above on both discounted and full value bases.
- Provide a statement of compliance with GASB 10 and 30.
- Estimate the program's cash flow requirements for a given number of fiscal years, separately identified for each accident year.
- Provide an update of outstanding losses and funding requirements based upon 12/31 data.
- Allocate program costs for 2012-13 2013-14, and 2014-15 to individual County departments, based upon a specified weighting of historical experience and exposure.
- Allocate Pajaro bond payments to departments.
- Allocate Lakes bond payments to departments, for both properties and loss settlement.
- Determine historical liabilities related to the County courts, for both 12/31/2000 and 6/30/2003 cutoff dates.

All written reports required under this Agreement must be delivered to Steve Mauck, Risk Manager, County's Contract Manager.

**II. Risk, Claims, Loss Control and Safety Consulting Services**

- *Service Summary:* Bickmore Risk Services will provide Risk, Claims, Loss Control and Safety Consulting services. The scope of services will include, but not limited to operational auditing, on-site review and gap analysis; key risk performance indicator identification and analysis; and enterprise dashboard and balance scorecard development.
- *Project Duration/Weekly Commitment:* The Bickmore Consultant schedule and services are to be agreed upon in advance by both parties. Specific site days and work hour agreements will be coordinated with the County Safety Officer, and the Risk Manager.

- *Job Duties/Reporting Relationships:* The County Risk Manager communicates with the Bickmore Consultants to develop a work plan on a periodic basis. The Bickmore Safety and Loss Control Consultants must also communicate with Safety Officer on a regular basis to receive direction and ask questions on specific job assignments.
- *Project Coordination:* A weekly phone call will be scheduled as needed with Bickmore and the County to review progress of the Bickmore Consultants and to discuss any additional Risk, claims, Loss Control and Safety support that may be required by the County from BRS.

**B. PAYMENT PROVISIONS**

**B.1 COMPENSATION/PAYMENT**

County shall pay an amount not to exceed \$100,000 per year for the performance of all things necessary for or incidental to the performance of work as set forth in the Scope of Work. CONTRACTOR'S compensation for services rendered shall be based on the following rates or in accordance with the following terms:

**I. Actuarial Services**

CONTRACTOR agrees to complete the necessary scope of work identified below in order to complete the annual actuarial services utilizing the project component in an amount not to exceed \$20,000 per year.

<u>Project Component</u>
General Liability Study (6/30 Data)
General Liability Update (12/31 Data)
General Liability Allocation Study
Pajaro Bond Allocation Study
Lakes Properties Bond Allocation Study
Lakes Loss Bond Allocation Study
Workers' Compensation Study (6/30 Data)
Workers' Compensation Update (12/31 Data)
Workers' Compensation Allocation Study
Workers' Compensation Court Allocation Study

It is agreed that there will be at least one personal visit as part of the fees outlined above. Should other services beyond the scope of work outlined above be required, parties must meet and mutually agree upon scope, timeframe and fee.

The target delivery date for the draft reports is within four (4) weeks of receipt of complete data.

**II. Risk, Claims, Loss Control and Safety Consulting Services**

Bickmore Risk Services will provide monthly invoices on a time and materials basis, subject to the *not to exceed* amount, for project period duration. Agreed hourly rate for services shall not exceed:

<u>Project Component</u>	<u>Hourly Rate</u>
Risk Management, Claims, Loss Control, and Safety	\$ 180.00

**NOTE:** All fees and costs stated herein shall include all applicable tax.

County agrees to pay necessary travel and per diem expense, but all such expenses must be approved in advance by the County and conform with County of Monterey published travel and expense guidelines.

If County approves travel reimbursement, CONTRACTOR shall receive compensation for travel expenses as per the "County Travel Policy". A copy of the policy is available online at [www.co.monterey.ca.us/auditor/policies.htm](http://www.co.monterey.ca.us/auditor/policies.htm) To receive reimbursement, CONTRACTOR must provide a detailed breakdown of authorized expenses, identifying what was expended and when.

CONTRACTOR warrants that the cost charged for services under the terms of this contract are not in excess of those charged any other client for the same services performed by the same individuals.

## **B.2 CONTRACTORS BILLING PROCEDURES**

**NOTE:** Payment may be based upon satisfactory acceptance of each deliverable, payment after completion of each major part of the Agreement, payment at conclusion of the Agreement, etc.

County may, in its sole discretion, terminate the contract or withhold payments claimed by CONTRACTOR for services rendered if CONTRACTOR fails to satisfactorily comply with any term or condition of this Agreement.

No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by County.

County shall not pay any claims for payment for services submitted more than twelve (12) months after the calendar month in which the services were completed.

**DISALLOWED COSTS:** CONTRACTOR is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.