



# Monterey County

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## Board Report

Legistar File Number: A 17-211

June 27, 2017

**Introduced:** 5/31/2017

**Version:** 1

**Current Status:** Agenda Ready

**Matter Type:** BoS Agreement

Approve and authorize the Contracts/Purchasing Officer to sign Amendment No. 5 to the 2009 professional services agreement with Marsh USA, Inc. dba Marsh Risk and Insurance Services, for workers' compensation and casualty insurance brokerage service, by increasing compensation in an amount not to exceed \$120,000 for a total compensation amount not to exceed \$720,000, and extending the term of the Agreement by one year, effective July 1, 2017 through June 30, 2018.

### RECOMMENDATION:

It is recommended that the Board of Supervisors approve and authorize the Contracts/Purchasing Officer to sign Amendment No. 5 to the 2009 professional services agreement with Marsh USA, Inc. dba Marsh Risk and Insurance Services, for workers' compensation and casualty insurance brokerage service, by increasing compensation in an amount not to exceed \$120,000 for a total compensation amount not to exceed \$720,000, and extending the term of the Agreement by one year, effective July 1, 2017 through June 30, 2018.

### SUMMARY/DISCUSSION:

Marsh Risk and Insurance Services is a global leader in insurance broking and Risk Management. They help clients quantify and manage risk and help them unlock new opportunities for growth and risk avoidance.

The County entered into an Agreement with Marsh Risk and Insurance Services on February 1, 2009, to provide workers' compensation and casualty insurance brokerage services after the issuance of a Request for Proposals. This Agreement was approved July 1, 2012, with a termination date of June 30, 2013.

Renewal and Amendment No. 1 renewed and amended the Agreement and increased the term of the agreement to June 30, 2014. It also increased the amount of possible compensation to be paid by the County by \$120,000 for a total amount not to exceed \$240,000. The Renewal and Amendment also removed Exhibit A-Scope of Services/Payment Provisions and replaced it with Exhibit A-1 Scope of Services, which added language in Section 2 (i) relating to electronic delivery of documents and Section 7, which is a disclosure reflecting standard insurance wholesale practices.

Renewal and Amendments No. 2 and 3 each increased the term of the Agreement by one year, and increased the amount of total annual compensation paid by the County by \$120,000 per year. The current "not to exceed amount" of the Agreement is \$480,000.

Amendment No. 4 increased the term of the Agreement by one year, and increased the amount of total compensation paid by the County by \$120,000 per year; for a total amount, not to

exceed \$600,000.

Amendment No. 5 will increase the term of the Agreement by another one year period, which will expire on June 30, 2018; and will increase the amount of possible annual compensation to be paid by the County by \$120,000; for a total amount not to exceed \$720,000. There are no other changes to the subject agreement other than those stated previously

The Agreement with Marsh Risk and Insurance Services, as approved in 2012, is a non-standard agreement, inasmuch as the standard agreement template required changes to accurately reflect the nature of specialized professional services. Section 8 - Indemnification, language was changed to require indemnification and insurance appropriate for the professional brokerage services being rendered. Additional terms and conditions were also added as sections 15.18, 15.19, 15.20 and 15.21. These sections generally deal with clarifying dispute resolution and the nature of services being rendered.

Risk Management anticipates going out for RFP for these services in FY 2017-18.

OTHER AGENCY INVOLVEMENT:

The attached Amendment No. 5 has been reviewed and approved by County Counsel as to legal form; the Auditor-Controller as to fiscal terms; and Risk Management for insurance and indemnity provisions.

FINANCING:

This contract will be paid from the General Liability (GL) - Internal Service Fund (ISF) and the Workers' Compensation (WC) - Internal Service Fund. The total cost of this contract shall not exceed \$720,000 and the increased contract amount of the amendment has been included in the FY 2017-18 budgets, for budget unit 475-1210-COU003-8408 GL-ISF (\$60,000/year); and budget unit 476-1210-COU004-8409 WC-ISF (\$60,000/year).

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Check the related Board of Supervisors Strategic Initiative(s):

- Economic Development** - Through collaboration, strengthen economic development to ensure a diversified and healthy economy.
- Administration** - Promote an organization that practices efficient and effective resource management and is recognized for responsiveness, strong customer orientation, accountability and transparency.
- Health & Human Services** - Improve health and quality of life through County supported policies, programs, and services; promoting access to equitable opportunities for health choices and healthy environments in collaboration with communities.
- Infrastructure** - Plan and develop a sustainable, physical infrastructure that improves the quality of life for County residents and supports economic development results.
- Public Safety** - Create a safe environment for people to achieve their potential, leading business and communities to thrive and grow by reducing violent crimes as well as crimes in general.

Prepared by:

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Steve Mauck, Risk Manager

Approved by:

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Les Girard, Chief Assistant County Counsel

Attachments: Marsh - Amend. No. 5  
Marsh - Amend. No. 1-4  
Marsh - Original Agreement