



Monterey County

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Board Report

Legistar File Number: A 18-296

June 26, 2018

Introduced: 6/13/2018

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Agreement

Approve and authorize the Contracts/Purchasing Officer to sign Amendment No. 1 to the 2016 professional services agreement with Intercare Holdings Insurance Services, Inc. for general liability claims administration services, by increasing compensation in an amount not to exceed \$144,000 for a total compensation amount not to exceed \$472,000, and extending the term of the Agreement by one year, effective July 1, 2018 through June 30, 2019, with a provision for an extension of up to one (1) additional one (1) year extension, subject to the County Risk Manager's prior written approval, not to exceed 10% increase.

RECOMMENDATION:

It is recommended that the Board of Supervisors Approve and authorize the Contracts/Purchasing Officer to sign Amendment No. 1 to the 2016 professional services agreement with Intercare Holdings Insurance Services, Inc. for general liability claims administration services, by increasing compensation in an amount not to exceed \$144,000 for a total compensation amount not to exceed \$472,000, and extending the term of the Agreement by one year, effective July 1, 2018 through June 30, 2019, with a provision for an extension of up to one (1) additional one (1) year extension, subject to the County Risk Manager's prior written approval, not to exceed 10% increase.

SUMMARY/DISCUSSION:

The County entered into an Agreement with Intercare Holdings Insurance Services, Inc. on June 17, 2016, for general liability claims administration, effective July 1, 2016 through June 30, 2018. In early 2018, issues arose with the performance and cooperation of the Contractor, as well as Contractor's failure to recognize the authority of County Counsel relating to managing general liability claims. As a result, the Board requested we look at issuing an RFP or bringing the work in-house. Those issues have been resolved and we are actively discussing options with Intercare and others on a revised structure to bring all or a portion of this work in-house. This amendment will allow County Counsel-Risk Management time to thoughtfully bring forward a proposal to the Board on a revised structure, if appropriate and cost effective.

Amendment No. 1 will extend the term of the agreement by one year, effective July 1, 2018 through June 30, 2019, with a provision for an extension of up to one (1) additional one (1) year extension, subject to the County Risk Manager's prior written approval, not to exceed a 10% increase; and will increase the amount of total annual compensation paid by the County by \$144,000 per year. The current "not to exceed amount" of the Agreement is \$328,000.

OTHER AGENCY INVOLVEMENT:

The attached Amendment No. 1 has been reviewed and approved by County Counsel as to legal form. The fiscal terms, insurance, and indemnity provisions remain as set forth in the original

agreement.

FINANCING:

Funding for the professional services agreement is provided from the General Liability - ISF (475-1210-COU004-8409). The total cost of this contract shall not exceed \$144,000 and the increased contract amount of the amendment has been included in the FY 2018-19 budget.

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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Approved by:

Charles J. McKee, County Counsel

Attachments: Intercare - Amendment No. 1 w/Attachment A
Intercare - Original Agreement