

**RENEWAL AND AMENDMENT No. 1
TO AGREEMENT BETWEEN
COUNTY OF MONTEREY AND
MARSH RISK AND INSURANCE SERVICES**

THIS RENEWAL and AMENDMENT is made to the AGREEMENT for the provision of Workers' Compensation and casualty insurance brokerage services by and between **MARSH RISK AND INSURANCE SERVICES**, 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 previously entered into the original AGREEMENT on June 22, 2012; and

WHEREAS, the Agreement's term was from July 1, 2012 to June 30, 2013; and

WHEREAS, the County and CONTRACTOR wish to renew and amend the AGREEMENT'S term by one year through **June 30, 2014**, by way of Amendment No. 1, and increase the total compensation payable under the AGREEMENT by \$120,000, from \$120,000 to **\$240,000**.

NOW THEREFORE, the County and CONTRACTOR hereby agree to renew and amend the AGREEMENT in the following manner:

1. The Agreement is renewed effective July 1, 2013, and all of its provisions shall be deemed to have been in effect continuously since that time.
2. 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 \$120,000." and replacing it with "**The total amount payable by County to CONTRACTOR under this Agreement shall not exceed the sum of \$240,000**".
3. Section 3., "TERM OF AGREEMENT" shall be amended as by removing "The term of this Agreement is from July 1, 2012 to June 30, 2013" and replacing it with "**The term of this Agreement is from July 1, 2012 to June 30, 2014**".
4. Section 4., "ADDITIONAL PROVISIONS/EXHIBITS" shall be amended as by removing Exhibit A – Scope of Services/Payment Provisions and replacing it with **Exhibit A-1 – Scope of Services/Payment Provisions**.
5. Except as provided herein, all remaining terms, conditions and provisions of the AGREEMENT are unchanged and unaffected by this RENEWAL and AMENDMENT and shall continue in full force and effect as set forth in the AGREEMENT.
6. A copy of this RENEWAL and AMENDMENT shall be attached to the original AGREEMENT executed by the County on June 22, 2012.

IN WITNESS WHEREOF, the parties have executed the AMENDMENT on the day and year written below.

MONTEREY COUNTY

Alfred Bayard
Contracts/Purchasing Officer

Dated: 12 July 2013 7-31-13

Approved as to Fiscal Provisions:

[Signature]
Deputy Auditor/Controller

Dated: 7-11-13
RISK MANAGEMENT

COUNTY OF MONTEREY
Approved as to Liability Provisions:
APPROVED AS TO INDEMNITY/
INSURANCE LANGUAGE

Risk Management
By: Nydia Schumaker
Date: 7-11-13

Approved as to Form:

Shari Kirkbride
Deputy County Counsel

Dated: 7-11-13

CONTRACTOR

By: [Signature]
Signature of Chair, President, or
Vice-President

KEITH W GRANA VICE PRESIDENT
Printed Name and Title

Dated: 7/9/13

By:
(Signature of Secretary, Asst. Secretary, CFO,
Treasurer or Asst. Treasurer)*

Printed Name and Title

Dated:

*INSTRUCTIONS: If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement.

EXHIBIT A-1
SCOPE OF SERVICES/PAYMENT PROVISIONS

To Professional Service Agreement
by and between
County of Monterey, hereinafter referred to as "County"
AND

MARSH RISK & INSURANCES SERVICES, hereinafter referred to as "CONTRACTOR"

NOW THEREFORE, the parties agree as follows:

1. Payment.

Payment for services shall be \$10,000 per month (not to exceed \$120,000 per year), for the term of this contract, unless otherwise agreed by the parties.

2. Services.

Marsh will act as your insurance broker and/or risk management consultant with respect to the following lines of insurance :

Excess Liability, Fiduciary Liability, Volunteer (AD&D) Insurance

Marsh shall provide to you the following services:

Pre-Marketing Services

- (a) Conduct an initial strategy discussion in advance of each placement
- (b) Assist you in assessing your risks and in developing insurance specifications which Marsh will submit to insurers
- (c) Recommend potential insurers

Marketing and Placement Services

- (d) Solicit quotes from insurers that you select
- (e) Negotiate on your behalf with insurers
- (f) Assist you in evaluating the options received from insurers
- (g) Use best efforts to place insurance for you, but only after you have authorized Marsh to bind coverage for you

Services related to Marsh placements

- (h) Deliver confirmation of coverage once it is placed
- (i) Follow up with insurance carriers to obtain policies and/ or endorsements. Marsh may deliver your insurance policies and endorsements to you electronically.
- (j) Review policies and endorsements for conformity with agreed terms and coverages
- (k) Provide coverage summaries
- (l) At your request, issue certificates or memoranda of insurance and/or auto identification cards
- (m) Review premium and exposure audits, rating adjustments, dividend calculations and loss data
- (n) Provide you with invoices, except in the case of direct billing by insurers. Remit premiums to insurers and, where applicable, remit taxes and fees to the relevant authorities, following receipt thereof from you
- (o) Monitor published financial information of your current insurers and alert you when one of those insurers falls below Marsh's minimum financial guidelines

Claims-Related Services

- (p) Provide the following claims-related services:
 - Evaluate coverage applicability on all Marsh placed business
 - Assist you in the development of settlement strategies
 - Assist you with insurer negotiations
 - Assist you with litigation management issues that impact claim settlements
 - Excluding Workers Compensation, Primary Auto Liability / Physical Damage and non-complex Primary General Liability claims, prepare loss notices to insurers and notify insurers of claims; provided that your Marsh claims advocate is informed in writing by you of the claim, with details of the claim, and Marsh has placed the applicable policies or the Marsh claims advocate has been provided written notice by you of the applicable carrier and policies.

The total number of hours of property and casualty claims services described in this paragraph provided by Marsh to you in a calendar year shall not exceed 62.5. In the event such claims services exceed such hourly allotment, Marsh reserves the right to seek additional compensation.

Marsh may utilize the services of intermediaries to place your insurance, subject to your approval.

Marsh will not serve as your insurance broker, but only as your risk consultant, with respect to placements with ineligible insurers. In those circumstances, Marsh's non-U.S. affiliates shall provide the brokerage Services.

3. With respect to insurance placed by Contractor on the County's behalf, Contractor will disclose to the County any commissions received by Contractor, credit them against remaining installments of the annual fee and, to the extent in excess of the remaining installments, refund previously paid installments of the fee. In the event such commissions for a contract year exceed Contractor's annual fee for that year, then excess commissions will be returned to the County, if permitted by law. Otherwise, excess commissions will be carried forward and applied against Contractor's annual compensation for subsequent years, if permitted by law. Such commissions do not include, and Contractor shall be entitled to receive and retain: wholesale brokerage fees or commissions and enhanced commissions on policies placed by Marsh incepting on or after January 1, 2009. Contractor shall disclose to the County any wholesale or enhanced commissions collected by Contractor with respect to placements for the County
4. Contractor shall assist with documentation and other steps to obtain commitments for and implement the County's insurance program upon the County's instructions, it being understood that Contractor will not independently verify or authenticate County-provided information necessary to prepare underwriting submissions and other documents relied upon by insurers, and the County shall be solely responsible for the accuracy and completeness of such information and other documents furnished to Contractor and/or insurers and shall sign any application for insurance. The County understands that the failure to provide all necessary information to an insurer, whether intentional or by error, could result in the impairment or voiding of coverage.
5. Contractor does not speak for any insurer, is not bound to utilize any particular insurer and does not have the authority to make binding commitments on behalf of any insurer, except under special circumstance which Contractor shall always endeavor to make known to the County. Contractor shall not be responsible for the solvency of any insurer or its ability or willingness to pay claims, return premiums or other financial obligations. Contractor does not guarantee the performance of insurers or make any representation or warranty that insurance can be placed on terms acceptable to the County.
6. In no event shall either party to this Agreement be liable for any indirect, special, incidental, consequential or punitive damages or for any lost profits arising out of or relating to any services provided by the Contractor or its affiliates. The aggregate liability of the Contractor, its affiliates and its and their employees to the County or its affiliates arising out of or relating to the provision of services by the Contractor or its affiliates shall not exceed \$10 million. This provision applies to the fullest extent permitted by applicable law.
7. Marsh may be compensated for its Services related to placements through wholesale brokers by retail commissions paid by others at a rate up to 5% of gross premiums, which amounts shall be in addition to and not credited against the annual fee.



Monterey County

Board Order

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Agreement No.: A-12240

Upon motion of Supervisor Salinas, seconded by Supervisor Calcagno and carried by those members present, the Board of Supervisors hereby:

Approve and authorize the Contracts/Purchasing Officer to sign Renewal and Amendment No. 1 to professional services agreement with Marsh Risk and Insurance Services, effective July 1, 2013 through June 30, 2014, for workers' compensation and casualty insurance brokerage service, in an amount not to exceed \$120,000 for a total compensation amount not to exceed \$240,000.

PASSED AND ADOPTED on this 30th day of July 2013, by the following vote, to wit:

AYES: Supervisors Armenta, Calcagno, Salinas, Parker and Potter
NOES: None
ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 76 for the meeting on July 30, 2013.

Dated: July 31, 2013
File Number: A 13-184

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By *Denise Hancock*
Deputy

ROUTING FORM: Check Applicable Document

Date: 06-26-13

 AGREEMENT AMENDMENT BOARD REPORT FOR PRE-APPROVAL

Vendor Name: Marsh Risk Services

Title/Brief Description of Document: Provide WC and casualty insurance brokerage

Originating Department: Risk Management

Department Contact Person WITH phone # or extension: Kari Picoli, xt. 3090

This Agreement or Amendment requires Board Approval: Yes No **RUSH**

FOR 7-30-13

MYA DETAILS (for the purchase order process)

NEW AGREEMENTS	AMENDMENTS
Department #:	If you are amending a multi-year agreement please enter the MYA number below.
Unit #:	
Commodity Code(s): NO MYA	MYA #:
Other Instructions:	Other Instructions:

Approval Guidelines for All Agreements:When using County boilerplate Agreement and PSA:

Route to vendor first for signature unless there have been line-outs made to the boilerplate wording. Line outs should be approved by County Counsel first.

When using non-standard Agreement:Departments are required to obtain County Counsel's signature prior to obtaining the vendor's signature for any agreement that does **not** utilize a pre-approved boilerplate document.**ROUTING AND APPROVALS****Each Approving Authority is requested to forward the Service Contract to the next Approving Authority in the order listed herein. Thank you.*

	Approving Authority:	Approval Initials	Comments:	Date Reviewed
1st	County Counsel (required)			7-11-13
2nd	Risk Management (if necessary)			7-11-13
3rd	Auditor-Controller (required)			7-11-13
4th	Contracts/Purchasing (required)			7-12-13
	Return to Originating Department			

* In the event that one of the approving authorities has an issue with the document and will not sign, the document shall be returned immediately to the originating department's key contact person identified herein along with a brief written explanation regarding the issue. Once that issue is corrected, the department shall resume the routing process again by sending the document directly to the approving authority who originally withheld approval. The original Routing Form should be included for reference.

MYA #: _____ (to be assigned by Contracts/Purchasing)