

**AMENDMENT #3 TO AGREEMENT  
COUNTY OF MONTEREY & 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, including estimation of outstanding liabilities, projected aggregate costs, departmental cost allocations, and related actuarial projects for the programs by and between **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 the Contractor have entered into a prior Agreement on August 30, 2008 and subsequent Amendments thereto; wherein, the Contractor would provide program assessment, gap analysis, workers compensation and general liability third party administrator program services assessment and continue to provide annual actuarial analysis of workers' compensation and self-insurance programs, including estimation of outstanding liabilities, projected aggregate costs, departmental cost allocations, and related actuarial projects for the programs services through June 30, 2012; and increased the total sum of the contract to \$190,000.

**WHEREAS**, the County and Contractor originally entered into a contract for professional services on August 30, 2008 (and subsequently amended same) the parties now extend this contractual term, by way of Amendment #3, and increase same by \$90,000 from \$100,000 to \$190,000.

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

1. Paragraph 2 "Payments by County" shall be amended by removing "The total amount payable by County to CONTRACTOR under this Agreement shall not exceed the sum of \$100,000", and replacing it with "**The amount payable by County to Contractor under this Agreement shall not exceed the sum of \$190,000**".
2. Paragraph 3 "Term of Agreement" shall be amended by removing "The term of this Agreement is from August 30, 2008 to August 30, 2011" and replacing it with "**The term of this Agreement is from August 30, 2008 to June 30, 2012**".
3. Except as provided herein, all remaining terms, conditions and provisions of the AGREEMENT are unchanged and unaffected by this AMENDMENT and shall continue in full force and effect as set forth in the AGREEMENT.
4. A copy of this AMENDMENT shall be attached to the original AGREEMENT.

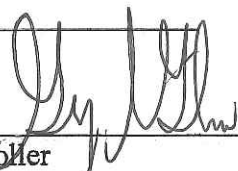
IN WITNESS WHEREOF, the parties have executed the AMENDMENT on the day and year written below.

MONTEREY COUNTY

CONTRACTOR

\_\_\_\_\_  
Contracts/Purchasing Manager

By:   
Company Representative

Dated \_\_\_\_\_  
  
\_\_\_\_\_  
Auditor Controller

Printed Name Jeffrey Grubbs

Dated 5/3/11

Dated 5-4-11

Approved as to Form

  
County Counsel

Dated 5-4-11

**AMENDMENT #2 TO AGREEMENT  
COUNTY OF MONTEREY & 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, including estimation of outstanding liabilities, projected aggregate costs, departmental cost allocations, and related actuarial projects for the programs by and between **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 the Contractor entered into an Agreement whereby the Contractor would provide services to the County during an initial term commencing August 30, 2008 to August 30, 2009; and

**WHEREAS**, the County and Contractor wish to add to the scope of work and increase the contract amount by \$40,000; and

**WHEREAS**, the County and Contractor wish to expand the scope of work to include Risk/Benefits review, organizational gap analysis, benchmarking, evaluation of operational structure/staffing, and the provision of procedural recommendations.

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

1. Paragraph 1 "Services to be Provided" shall be amended as follows: The services are generally described as follows: Annual actuarial analysis of workers' compensation and general liability self-insurance program, including estimation of outstanding liabilities, projected aggregate costs, departmental cost allocations, and related actuarial projects for programs and Risk/Benefits review, organizational gap analysis, benchmarking, evaluation of operational structure/staffing and provision of procedural recommendations.
2. Paragraph 2.1 "Payments by County" shall be amended as follows: The total amount payable by County to CONTRACTOR under this Agreement shall not exceed the sum of \$100,000.
3. Addendum - 2A "Scope of Work" (attached hereto) is added as additional required project services and incorporated into the underlying agreement by this reference.
4. Except as provided herein, all remaining terms, conditions and provisions of the AGREEMENT are unchanged and unaffected by this AMENDMENT and shall continue in full force and effect as set forth in the AGREEMENT.
5. A copy of this AMENDMENT shall be attached to the original AGREEMENT.

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

MONTEREY COUNTY

*Debra Bayard for mdus*  
Contracts/Purchasing Manager

Dated *12 Feb 2010*

CONTRACTOR

By *Gregory L Trout*  
Company Representative

Printed Name *Gregory L Trout*

Dated *Jan 28, 2010*

Reviewed as to fiscal provisions  
*[Signature]*  
Auditor-Controller  
County of Monterey

*2-11-10*

## Addendum 2A

### Scope of Work

<u>Service</u>	<u>Timeline</u>	<u>Cost</u>
Project Kick-Off Meeting	Feb 1, 2010	\$870
Collection of written materials and documentation	Jan 2010	\$3,000
Interviews	Jan - Feb 2010	\$12,480
Complete documentation of existing environment	Feb - March 2010	\$7,320
Complete GAP Analysis	April 2010	\$4,860
Complete Staffing Recommendations	April 2010	\$4,860
Complete Other Recommendations	April 2010	\$3,210
Develop Draft Report	May 2010	\$8,160
<b>Total</b>		<b>\$44,760</b>

**AMENDMENT #1 TO AGREEMENT  
COUNTY OF MONTEREY & 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, including estimation of outstanding liabilities, projected aggregate costs, departmental cost allocations, and related actuarial projects for the programs by and between **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 the Contractor entered into an Agreement whereby the Contractor would provide services to the County during an initial term commencing August 30, 2008 to August 30, 2009; and


**WHEREAS**, the County and Contractor wish to extend the term of the Agreement and increase the contract amount by \$40,000.

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

1. Paragraph 2.1 "Payments by County" shall be amended as follows: "The total amount payable by County to CONTRACTOR under this Agreement shall not exceed the sum of \$60,000.
2. Paragraph 3.1 "Term of Agreement" shall be amended as follows: "The term of this Agreement is from August 30, 2008 to August 30, 2011.
3. Except as provided herein, all remaining terms, conditions and provisions of the AGREEMENT are unchanged and unaffected by this AMENDMENT and shall continue in full force and effect as set forth in the AGREEMENT.
4. A copy of this AMENDMENT shall be attached to the original AGREEMENT.

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

MONTEREY COUNTY

  
\_\_\_\_\_  
Contracts/Purchasing Manager

Dated 7-17-09

CONTRACTOR

By Jeri Rohrer  
\_\_\_\_\_  
Company Representative

Printed Name Teri Rohrer

Dated May 15, 2009

**COUNTY OF MONTEREY AGREEMENT FOR PROFESSIONAL SERVICES**  
**(NOT TO EXCEED \$100,000)**

This Professional Services Agreement ("Agreement") is made by and between the County of Monterey, a political subdivision of the State of California (hereinafter "County") and Bickmore Risk Services, Inc., (hereinafter "CONTRACTOR").

In consideration of the mutual covenants and conditions set forth in this Agreement, the parties agree as follows:

1. **SERVICES TO BE PROVIDED.** The County hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in **Exhibit A** in conformity with the terms of this Agreement. The services are generally described as follows: Annual actuarial analysis of workers' compensation and general liability self-insurance programs, including estimation of outstanding liabilities, projected aggregate costs, departmental cost allocations, and related actuarial projects for the programs.
2. **PAYMENTS BY COUNTY.** County shall pay the CONTRACTOR in accordance with the payment provisions set forth in **Exhibit A**, subject to the limitations set forth in this Agreement. The total amount payable by County to CONTRACTOR under this Agreement shall not exceed the sum of \$20,000.
3. **TERM OF AGREEMENT.** The term of this Agreement is from August 30, 2008 to August 30, 2009, unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both CONTRACTOR and County and with County signing last, and CONTRACTOR may not commence work before County signs this Agreement.
4. **ADDITIONAL PROVISIONS/EXHIBITS.** The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:

**Exhibit A    Scope of Services/Payment Provisions**

5. **PERFORMANCE STANDARDS.**

5.01. CONTRACTOR warrants that CONTRACTOR and CONTRACTOR's agents, employees, and subcontractors performing services under this Agreement are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this Agreement and are not employees of the County, or immediate family of an employee of the County.

5.02. CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.

5.03. CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this Agreement, except as otherwise specified in this Agreement. CONTRACTOR shall not use County premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement.

## 6. PAYMENT CONDITIONS.

6.01. CONTRACTOR shall submit to the Contract Administrator an invoice on a form acceptable to County. If not otherwise specified, the CONTRACTOR may submit such invoice periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice as the County may require. The Contract Administrator or his or her designee shall certify the invoice, either in the requested amount or in such other amount as the County approves in conformity with this Agreement, and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.

6.02. CONTRACTOR shall not receive reimbursement for travel expenses unless set forth in this Agreement.

## 7. TERMINATION.

7.01. During the term of this Agreement, the County may terminate the Agreement for any reason by giving written notice of termination to the CONTRACTOR at least thirty (30) days prior to the effective date of termination. Such notice shall set forth the effective date of termination. In the event of such termination, the amount payable under this Agreement shall be reduced in proportion to the services provided prior to the date of termination.

7.02. The County may cancel and terminate this Agreement for good cause effective immediately upon written notice to CONTRACTOR. "Good cause" includes the failure of CONTRACTOR to perform the required services at the time and in the manner provided under this Agreement. If County terminates this Agreement for good cause, the County may be relieved of the payment of any consideration to CONTRACTOR, and the County may proceed with the work in any manner which County deems proper. The cost to the County shall be deducted from any sum due the CONTRACTOR under this Agreement.

8. **INDEMNIFICATION.** Contractor shall indemnify, defend, and hold harmless the County of Monterey (hereinafter "County"), its officers, agents and employees from any claim, liability, loss, injury or damage arising out of, or in connection with, performance of this Agreement by Contractor and/or its agents, employees or sub-contractors, excepting only loss, injury or damage caused by the negligence or willful misconduct of personnel employed by the County. It is the intent of the parties to this Agreement to provide the broadest possible coverage for the County. The Contractor shall reimburse the County for all costs, attorneys' fees, expenses and liabilities



incurred with respect to any litigation in which the Contractor is obligated to indemnify, defend and hold harmless the County under this Agreement.

## 9. INSURANCE.

### 9.01. Evidence of Coverage:

Prior to commencement of this Agreement, the Contractor shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, the Contractor upon request shall provide a certified copy of the policy or policies.

This verification of coverage shall be sent to the County's Contracts/Purchasing Department, unless otherwise directed. The Contractor shall not receive a "Notice to Proceed" with the work under this Agreement until it has obtained all insurance required and the County has approved such insurance. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

### 9.02. Qualifying Insurers:

All coverage's, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by the County's Purchasing Manager.

### 9.03. Insurance Coverage Requirements: Without limiting CONTRACTOR's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

Commercial general liability insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

Exemption/Modification (Justification attached; subject to approval).

Business automobile liability insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than \$500,000 per occurrence.

Exemption/Modification (Justification attached; subject to approval).

Workers' Compensation Insurance, if CONTRACTOR employs others in the performance of this Agreement, in accordance with California Labor Code section

3700 and with Employer's Liability limits not less than \$1,000,000 each person, \$1,000,000 each accident and \$1,000,000 each disease.

Exemption/Modification (Justification attached; subject to approval).

Professional liability insurance, if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the CONTRACTOR shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this Agreement.

Exemption/Modification (Justification attached; subject to approval).

#### 9.04. Other Insurance Requirements:

All insurance required by this Agreement shall be with a company acceptable to the County and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this Agreement.

Each liability policy shall provide that the County shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for Contractor and additional insureds with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional Insureds with respect to liability arising out of the CONTRACTOR'S work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the CONTRACTOR'S insurance. The required endorsement form for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement form for Automobile Additional Insured endorsement is ISO Form CA 20 48 02 99.

Prior to the execution of this Agreement by the County, CONTRACTOR shall file certificates of insurance with the County's contract administrator and County's Contracts/Purchasing Division, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

CONTRACTOR shall at all times during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by County, annual certificates to County's Contract Administrator and County's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this Agreement, which entitles County, at its sole discretion, to terminate this Agreement immediately.

#### 10. RECORDS AND CONFIDENTIALITY.

10.01. Confidentiality. CONTRACTOR and its officers, employees, agents, and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from the County or prepared in connection with the performance of this Agreement, unless County specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to County any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by CONTRACTOR in the performance of this Agreement except for the sole purpose of carrying out CONTRACTOR's obligations under this Agreement.

10.02. County Records. When this Agreement expires or terminates, CONTRACTOR shall return to County any County records which CONTRACTOR used or received from County to perform services under this Agreement.

10.03. Maintenance of Records. CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and County rules and regulations related to services performed under this Agreement. CONTRACTOR shall maintain such records for a period of at least three years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the three year period, then CONTRACTOR shall retain said records until such action is resolved.

10.04. Access to and Audit of Records. The County shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONTRACTOR and its subcontractors related to services provided under this Agreement. Pursuant to Government

Code section 8546.7, if this Agreement involves the expenditure of public funds in excess of \$10,000, the parties to this Agreement may be subject, at the request of the County or as part of any audit of the County, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.

10.05. Royalties and Inventions. County shall have a royalty-free, exclusive and irrevocable license to reproduce, publish, and use, and authorize others to do so, all original computer programs, writings, sound recordings, pictorial reproductions, drawings, and other works of similar nature produced in the course of or under this Agreement. CONTRACTOR shall not publish any such material without the prior written approval of County.

11. **NON-DISCRIMINATION.** During the performance of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), or sexual orientation, either in CONTRACTOR's employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR and any subcontractor shall, in the performance of this Agreement, fully comply with all federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.
12. **COMPLIANCE WITH TERMS OF STATE OR FEDERAL GRANT.** If this Agreement has been or will be funded with monies received by the County pursuant to a contract with the state or federal government in which the County is the grantee, CONTRACTOR will comply with all the provisions of said contract, to the extent applicable to CONTRACTOR as a subgrantee under said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, County will deliver a copy of said contract to CONTRACTOR, at no cost to CONTRACTOR.
13. **INDEPENDENT CONTRACTOR.** In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is at all times acting and performing as an independent contractor and not as an employee of the County. No offer or obligation of permanent employment with the County or particular County department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from County any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of CONTRACTOR's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold County harmless from any and all liability which County may incur because of CONTRACTOR's failure to pay such taxes.

14. **NOTICES.** Notices required under this Agreement shall be delivered personally or by first-class, postage pre-paid mail to the County and CONTRACTOR'S contract administrators at the addresses listed below:

FOR COUNTY:	FOR CONTRACTOR:
Keith Honda, Assistant CAO	Teri Rohrer, Firm Administrator
168 W. Alisal St., 3 <sup>rd</sup> Floor Salinas, CA 93901	1831 K Street Sacramento, CA 95811
831-755-5295	916-244-1107

15. **MISCELLANEOUS PROVISIONS.**

- 15.01 Conflict of Interest. CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement, which would directly, or indirectly conflict in any manner or to any degree with the full and complete performance of the professional services required to be rendered under this Agreement.
- 15.02 Amendment. This Agreement may be amended or modified only by an instrument in writing signed by the County and the CONTRACTOR.
- 15.03 Waiver. Any waiver of any terms and conditions of this Agreement must be in writing and signed by the County and the CONTRACTOR. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.
- 15.04 Contractor. The term "CONTRACTOR" as used in this Agreement includes CONTRACTOR's officers, agents, and employees acting on CONTRACTOR's behalf in the performance of this Agreement.
- 15.05 Disputes. CONTRACTOR shall continue to perform under this Agreement during any dispute.
- 15.06 Assignment and Subcontracting. The CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement without the prior written consent of the County. None of the services covered by this Agreement shall be subcontracted without the prior written approval of the County. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement.
- 15.07 Successors and Assigns. This Agreement and the rights, privileges, duties, and obligations of the County and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.

- 15.08 Compliance with Applicable Law. The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.
- 15.09 Headings. The headings are for convenience only and shall not be used to interpret the terms of this Agreement.
- 15.10 Time is of the Essence. Time is of the essence in each and all of the provisions of this Agreement.
- 15.11 Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of California.
- 15.12 Non-exclusive Agreement. This Agreement is non-exclusive and both County and CONTRACTOR expressly reserve the right to contract with other entities for the same or similar services.
- 15.13 Construction of Agreement. The County and CONTRACTOR agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.
- 15.14 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.
- 15.15 Authority. Any individual executing this Agreement on behalf of the County or the CONTRACTOR represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such party and bind the party to the terms and conditions of this Agreement.
- 15.16 Integration. This Agreement, including the exhibits, represent the entire Agreement between the County and the CONTRACTOR with respect to the subject matter of this Agreement and shall supersede all prior negotiations, representations, or agreements, either written or oral, between the County and the CONTRACTOR as of the effective date of this Agreement, which is the date that the County signs the Agreement.
- 15.17 Interpretation of Conflicting Provisions. In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

IN WITNESS WHEREOF, County and CONTRACTOR have executed this Agreement as of the day and year written below.

COUNTY OF MONTEREY

CONTRACTOR

By: \_\_\_\_\_  
Contracts/Purchasing Manager

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

By: \_\_\_\_\_  
Department Head (if applicable)

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

Approved as to Form

By: [Signature]  
County Counsel

Date: 2-10-09

Approved as to Fiscal Provisions  
By: [Signature]  
Auditor/Controller

Date: 2-11-09

Approved as to Liability Provisions<sup>2</sup>  
By: [Signature]  
Risk Management

Date: 1/28/09

Bickmore and Associates, Inc.  
Contractor's Business Name\*

By: [Signature]  
(Signature of Chair, President, or Vice-President)\*

Gregory L. Trout  
President  
Name and Title

Date: 1/21/09

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

\_\_\_\_\_  
Name and Title

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

\*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.

<sup>1</sup>Approval by Auditor/Controller is necessary only if changes are made in paragraph 6 or if changes are made in paragraph 2 by amendment.

<sup>2</sup>Approval by Risk Management is necessary only if changes are made in paragraph 8 or 9



Bickmore Risk Services & Consulting

## EXHIBIT A

Leadership. Trust. Solutions.

Friday, December 12, 2008

Mr. Steven Mauck Risk Manager  
Monterey County 168 West Alisal  
Street, 3<sup>rd</sup> Floor Salinas, CA 93901

RE: Actuarial Services Engagement Letter – 2008-09 Analysis

Dear Mr. Mauck:

Thank you for the opportunity to provide actuarial services to Monterey County (the County). The County is seeking professional actuarial advice with regard to its self-insured general liability and workers' compensation programs. The following is a brief outline of our understanding of the scope of work to be performed and our fees.

The objective of the studies is to provide a projection of loss costs, cash flow and investment income. The report will include the following information for each program:

- Calculate program funding levels for the 2008-09 and 2009-10 program years at the expected level as well as at various confidence levels.
- Determine appropriate rates for claims incurred during the 2008-09 and 2009-10 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, 2008 and June 30, 2009. 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 2008-09 and 2009-10 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

We will agree to complete the scope of work discussed above for the following fees:

Project Component	2008-09 Cost
General Liability Study (6/30 Data)	\$ 4,250
General Liability Update (12/31 Data)	2,250
GL Allocation Study	2,250
Pajaro Bond Allocation Study	500
Lakes Properties Bond Allocation Study	500
Lakes Loss Bond Allocation Study	500
Workers' Comp Study (6/30 Data)	4,250
Workers' Comp Update (12/31 Data)	2,250
WC Allocation Study	2,250
WC Court Allocation Study	1,000
Grand Total	\$ 20,000

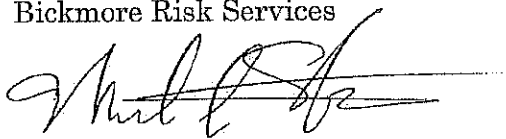
We will agree to one personal visit as part of the fees outlined above. Should other services beyond the scope of work outlined above be required, we will bill for our time and out of pocket expenses at the rates specified below.

<u>Consultant</u>	<u>Hourly Rate</u>
Fellow	\$250
Associate	200
Actuarial Staff	100
Administrative Staff	50

Our target delivery date for the draft reports is within four weeks of receipt of complete data.

Please call me at (916) 244-1162 with any questions you may have with regard to our proposal.

Respectfully Submitted,  
Bickmore Risk Services



Mike Harrington Director, Property and Casualty  
Actuarial Services, BRS Fellow, Casualty Actuarial  
Society Member, American Academy of Actuaries

**COUNTY OF MONTEREY AGREEMENT FOR PROFESSIONAL SERVICES**  
**(NOT TO EXCEED \$100,000)**

This Professional Services Agreement ("Agreement") is made by and between the County of Monterey, a political subdivision of the State of California (hereinafter "County") and Bickmore Risk Services, Inc., (hereinafter "CONTRACTOR").

In consideration of the mutual covenants and conditions set forth in this Agreement, the parties agree as follows:

1. **SERVICES TO BE PROVIDED.** The County hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in **Exhibit A** in conformity with the terms of this Agreement. The services are generally described as follows: Annual actuarial analysis of workers' compensation and general liability self-insurance programs, including estimation of outstanding liabilities, projected aggregate costs, departmental cost allocations, and related actuarial projects for the programs.
2. **PAYMENTS BY COUNTY.** County shall pay the CONTRACTOR in accordance with the payment provisions set forth in **Exhibit A**, subject to the limitations set forth in this Agreement. The total amount payable by County to CONTRACTOR under this Agreement shall not exceed the sum of \$20,000.
3. **TERM OF AGREEMENT.** The term of this Agreement is from August 30, 2008 to August 30, 2009, unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both CONTRACTOR and County and with County signing last, and CONTRACTOR may not commence work before County signs this Agreement.
4. **ADDITIONAL PROVISIONS/EXHIBITS.** The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:

**Exhibit A    Scope of Services/Payment Provisions**

5. **PERFORMANCE STANDARDS.**

5.01. CONTRACTOR warrants that CONTRACTOR and CONTRACTOR's agents, employees, and subcontractors performing services under this Agreement are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this Agreement and are not employees of the County, or immediate family of an employee of the County.

5.02. CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.

5.03. CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this Agreement, except as otherwise specified in this Agreement. CONTRACTOR shall not use County premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement.

## 6. PAYMENT CONDITIONS.

6.01. CONTRACTOR shall submit to the Contract Administrator an invoice on a form acceptable to County. If not otherwise specified, the CONTRACTOR may submit such invoice periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice as the County may require. The Contract Administrator or his or her designee shall certify the invoice, either in the requested amount or in such other amount as the County approves in conformity with this Agreement, and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.

6.02. CONTRACTOR shall not receive reimbursement for travel expenses unless set forth in this Agreement.

## 7. TERMINATION.

7.01. During the term of this Agreement, the County may terminate the Agreement for any reason by giving written notice of termination to the CONTRACTOR at least thirty (30) days prior to the effective date of termination. Such notice shall set forth the effective date of termination. In the event of such termination, the amount payable under this Agreement shall be reduced in proportion to the services provided prior to the date of termination.

7.02. The County may cancel and terminate this Agreement for good cause effective immediately upon written notice to CONTRACTOR. "Good cause" includes the failure of CONTRACTOR to perform the required services at the time and in the manner provided under this Agreement. If County terminates this Agreement for good cause, the County may be relieved of the payment of any consideration to CONTRACTOR, and the County may proceed with the work in any manner which County deems proper. The cost to the County shall be deducted from any sum due the CONTRACTOR under this Agreement.

8. **INDEMNIFICATION.** Contractor shall indemnify, defend, and hold harmless the County of Monterey (hereinafter "County"), its officers, agents and employees from any claim, liability, loss, injury or damage arising out of, or in connection with, performance of this Agreement by Contractor and/or its agents, employees or sub-contractors, excepting only loss, injury or damage caused by the negligence or willful misconduct of personnel employed by the County. It is the intent of the parties to this Agreement to provide the broadest possible coverage for the County. The Contractor shall reimburse the County for all costs, attorneys' fees, expenses and liabilities

incurred with respect to any litigation in which the Contractor is obligated to indemnify, defend and hold harmless the County under this Agreement.

## 9. INSURANCE.

### 9.01. Evidence of Coverage:

Prior to commencement of this Agreement, the Contractor shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, the Contractor upon request shall provide a certified copy of the policy or policies.

This verification of coverage shall be sent to the County's Contracts/Purchasing Department, unless otherwise directed. The Contractor shall not receive a "Notice to Proceed" with the work under this Agreement until it has obtained all insurance required and the County has approved such insurance. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

### 9.02 Qualifying Insurers:

All coverage's, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by the County's Purchasing Manager.

### 9.03 Insurance Coverage Requirements: Without limiting CONTRACTOR's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

Commercial general liability insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

Exemption/Modification (Justification attached; subject to approval).

Business automobile liability insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than \$500,000 per occurrence.

Exemption/Modification (Justification attached; subject to approval).

Workers' Compensation Insurance, if CONTRACTOR employs others in the performance of this Agreement, in accordance with California Labor Code section

3700 and with Employer's Liability limits not less than \$1,000,000 each person, \$1,000,000 each accident and \$1,000,000 each disease.

Exemption/Modification (Justification attached; subject to approval).

Professional liability insurance, if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the CONTRACTOR shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this Agreement.

Exemption/Modification (Justification attached; subject to approval).

9.04.  Other Insurance Requirements:

All insurance required by this Agreement shall be with a company acceptable to the County and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this Agreement.

Each liability policy shall provide that the County shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for Contractor and additional insureds with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional Insureds with respect to liability arising out of the CONTRACTOR'S work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the CONTRACTOR'S insurance. The required endorsement form for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement form for Automobile Additional Insured endorsement is ISO Form CA 20 48 02 99.

Prior to the execution of this Agreement by the County, CONTRACTOR shall file certificates of insurance with the County's contract administrator and County's Contracts/Purchasing Division, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

CONTRACTOR shall at all times during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by County, annual certificates to County's Contract Administrator and County's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this Agreement, which entitles County, at its sole discretion, to terminate this Agreement immediately.

## 10. RECORDS AND CONFIDENTIALITY.

10.01. Confidentiality. CONTRACTOR and its officers, employees, agents, and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from the County or prepared in connection with the performance of this Agreement, unless County specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to County any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by CONTRACTOR in the performance of this Agreement except for the sole purpose of carrying out CONTRACTOR's obligations under this Agreement.

10.02. County Records. When this Agreement expires or terminates, CONTRACTOR shall return to County any County records which CONTRACTOR used or received from County to perform services under this Agreement.

10.03. Maintenance of Records. CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and County rules and regulations related to services performed under this Agreement. CONTRACTOR shall maintain such records for a period of at least three years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the three year period, then CONTRACTOR shall retain said records until such action is resolved.

10.04. Access to and Audit of Records. The County shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONTRACTOR and its subcontractors related to services provided under this Agreement. Pursuant to Government

Code section 8546.7, if this Agreement involves the expenditure of public funds in excess of \$10,000, the parties to this Agreement may be subject, at the request of the County or as part of any audit of the County, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.

10.05. Royalties and Inventions. County shall have a royalty-free, exclusive and irrevocable license to reproduce, publish, and use, and authorize others to do so, all original computer programs, writings, sound recordings, pictorial reproductions, drawings, and other works of similar nature produced in the course of or under this Agreement. CONTRACTOR shall not publish any such material without the prior written approval of County.

11. **NON-DISCRIMINATION.** During the performance of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), or sexual orientation, either in CONTRACTOR's employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR and any subcontractor shall, in the performance of this Agreement, fully comply with all federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.
12. **COMPLIANCE WITH TERMS OF STATE OR FEDERAL GRANT.** If this Agreement has been or will be funded with monies received by the County pursuant to a contract with the state or federal government in which the County is the grantee, CONTRACTOR will comply with all the provisions of said contract, to the extent applicable to CONTRACTOR as a subgrantee under said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, County will deliver a copy of said contract to CONTRACTOR, at no cost to CONTRACTOR.
13. **INDEPENDENT CONTRACTOR.** In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is at all times acting and performing as an independent contractor and not as an employee of the County. No offer or obligation of permanent employment with the County or particular County department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from County any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of CONTRACTOR's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold County harmless from any and all liability which County may incur because of CONTRACTOR's failure to pay such taxes.

14. **NOTICES.** Notices required under this Agreement shall be delivered personally or by first-class, postage pre-paid mail to the County and CONTRACTOR'S contract administrators at the addresses listed below:

FOR COUNTY:	FOR CONTRACTOR:
Keith Honda, Assistant CAO	Teri Rohrer, Firm Administrator
168 W. Alisal St., 3 <sup>rd</sup> Floor Salinas, CA 93901	1831 K Street Sacramento, CA 95811
831-755-5295	916-244-1107

15. **MISCELLANEOUS PROVISIONS.**

- 15.01 Conflict of Interest. CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement, which would directly, or indirectly conflict in any manner or to any degree with the full and complete performance of the professional services required to be rendered under this Agreement.
- 15.02 Amendment. This Agreement may be amended or modified only by an instrument in writing signed by the County and the CONTRACTOR.
- 15.03 Waiver. Any waiver of any terms and conditions of this Agreement must be in writing and signed by the County and the CONTRACTOR. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.
- 15.04 Contractor. The term "CONTRACTOR" as used in this Agreement includes CONTRACTOR's officers, agents, and employees acting on CONTRACTOR's behalf in the performance of this Agreement.
- 15.05 Disputes. CONTRACTOR shall continue to perform under this Agreement during any dispute.
- 15.06 Assignment and Subcontracting. The CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement without the prior written consent of the County. None of the services covered by this Agreement shall be subcontracted without the prior written approval of the County. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement.
- 15.07 Successors and Assigns. This Agreement and the rights, privileges, duties, and obligations of the County and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.



- 15.08 Compliance with Applicable Law. The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.
- 15.09 Headings. The headings are for convenience only and shall not be used to interpret the terms of this Agreement.
- 15.10 Time is of the Essence. Time is of the essence in each and all of the provisions of this Agreement.
- 15.11 Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of California.
- 15.12 Non-exclusive Agreement. This Agreement is non-exclusive and both County and CONTRACTOR expressly reserve the right to contract with other entities for the same or similar services.
- 15.13 Construction of Agreement. The County and CONTRACTOR agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.
- 15.14 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.
- 15.15 Authority. Any individual executing this Agreement on behalf of the County or the CONTRACTOR represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such party and bind the party to the terms and conditions of this Agreement.
- 15.16 Integration. This Agreement, including the exhibits, represent the entire Agreement between the County and the CONTRACTOR with respect to the subject matter of this Agreement and shall supersede all prior negotiations, representations, or agreements, either written or oral, between the County and the CONTRACTOR as of the effective date of this Agreement, which is the date that the County signs the Agreement.
- 15.17 Interpretation of Conflicting Provisions. In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

IN WITNESS WHEREOF, County and CONTRACTOR have executed this Agreement as of the day and year written below.

COUNTY OF MONTEREY

CONTRACTOR

By: \_\_\_\_\_  
Contracts/Purchasing Manager

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

By: \_\_\_\_\_  
Department Head (if applicable)

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

Approved as to Form

By:   
County Counsel

Date: 2-10-09

Approved as to Fiscal Provisions<sup>1</sup>

By:   
Auditor/Controller

Date: 2-11-09

Approved as to Liability Provisions<sup>2</sup>

By:   
Risk Management

Date: 1/28/09

\_\_\_\_\_  
Bickmore and Associates, Inc.  
Contractor's Business Name\*

By:   
(Signature of Chair, President, or Vice-President)\*

\_\_\_\_\_  
Gregory L. Trout  
President  
Name and Title

Date: 1/21/09

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

\_\_\_\_\_  
Name and Title

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

\*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.

<sup>1</sup>Approval by Auditor/Controller is necessary only if changes are made in paragraph 6 or if changes are made in paragraph 2 by amendment.

<sup>2</sup>Approval by Risk Management is necessary only if changes are made in paragraph 8 or 9



Bickmore Risk Services & Consulting

## EXHIBIT A

*Leadership. Trust. Solutions.*

Friday, December 12, 2008

Mr. Steven Mauck Risk Manager  
Monterey County 168 West Alisal  
Street, 3<sup>rd</sup> Floor Salinas, CA 93901

RE: Actuarial Services Engagement Letter – 2008-09 Analysis

Dear Mr. Mauck:

Thank you for the opportunity to provide actuarial services to Monterey County (the County). The County is seeking professional actuarial advice with regard to its self-insured general liability and workers' compensation programs. The following is a brief outline of our understanding of the scope of work to be performed and our fees.

The objective of the studies is to provide a projection of loss costs, cash flow and investment income. The report will include the following information for each program:

- Calculate program funding levels for the 2008-09 and 2009-10 program years at the expected level as well as at various confidence levels.
- Determine appropriate rates for claims incurred during the 2008-09 and 2009-10 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, 2008 and June 30, 2009. 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 2008-09 and 2009-10 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

We will agree to complete the scope of work discussed above for the following fees:

Project Component	2008-09 Cost
General Liability Study (6/30 Data)	\$ 4,250
General Liability Update (12/31 Data)	2,250
GL Allocation Study	2,250
Pajaro Bond Allocation Study	500
Lakes Properties Bond Allocation Study	500
Lakes Loss Bond Allocation Study	500
Workers' Comp Study (6/30 Data)	4,250
Workers' Comp Update (12/31 Data)	2,250
WC Allocation Study	2,250
WC Court Allocation Study	1,000
Grand Total	\$ 20,000

We will agree to one personal visit as part of the fees outlined above. Should other services beyond the scope of work outlined above be required, we will bill for our time and out of pocket expenses at the rates specified below.

<u>Consultant</u>	<u>Hourly Rate</u>
Fellow	\$250
Associate	200
Actuarial Staff	100
Administrative Staff	50

Our target delivery date for the draft reports is within four weeks of receipt of complete data.

Please call me at (916) 244-1162 with any questions you may have with regard to our proposal.

Respectfully Submitted,  
Bickmore Risk Services



Mike Harrington Director, Property and Casualty  
Actuarial Services, BRS Fellow, Casualty Actuarial  
Society Member, American Academy of Actuaries