

MHA 1751

**AMENDMENT #1 TO THE SERVICE AGREEMENT
BETWEEN TURNER CONSULTING & ACTUARIAL, LLC AND
THE COUNTY OF MONTEREY**

This Amendment #1 is made and entered into by and between the County of Monterey, a political subdivision of the State of California, (hereinafter, "COUNTY"), and Turner Consulting & Actuarial, LLC (hereinafter, "CONTRACTOR").

WHEREAS, the County and CONTRACTOR entered into an Agreement on June 26, 2016; and

WHEREAS, the County and CONTRACTOR agree to the term of the AGREEMENT of July 1, 2015 through June 30, 2017 with an option to extend the Agreement for two (2) additional one- (1) year periods as set forth in Exhibit A; and

WHEREAS, the County and CONTRACTOR agree to amount not to exceed \$100,000 through the term of this AGREEMENT as set forth in Exhibit A;

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

1. Section 1.0 "GENERAL DESCRIPTION" is amended to read as follows: "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 goods and/or services are generally described as follows:

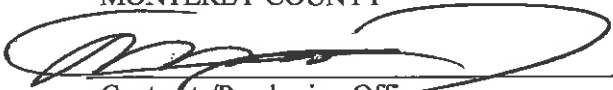
Provide strategic planning and account management, provide self-funded dental/vision plan actuarial reports, provide vendor renewal analysis, financial management and reporting, provide overall benefit program management and ad hoc projects and provide RFP vendor marketing, selection and implementation.

2. Exhibit A to the Agreement is hereby replaced in its entirety with the attached Exhibit A-1.
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 dated June 26, 2016.

RECEIVED
OCT 10 2016
ADMIN OFFICE
MONTEREY COUNTY

IN WITNESS WHEREOF, the parties have executed this AMENDMENT #1 as of the day and year written below.

MONTEREY COUNTY


Contracts/Purchasing Officer

Dated: 10-7-16

Approved as to Fiscal Provisions:


Deputy Auditor/Controller

Dated: 10-5-16

Approved as to Liability Provisions:


Risk Management

Dated:

Approved as to Form:

Deputy County Counsel

Dated: October 3, 2016

CONTRACTOR

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

David Turner, Manager
Printed Name and Title

Dated: 9/19/2016

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

To Agreement by and between
County of Monterey Human Resources Department, hereinafter referred to as "COUNTY"
AND
Turner Consulting & Actuarial, LLC, hereinafter referred to as "CONTRACTOR"

Scope of Services / Payment Provisions

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:

Strategic Planning and Account Management

- Discuss and review overall business objectives.
- Provide ongoing program management, including plan design ideas, cost management suggestions, etc.
- Perform financial modeling.
- Benchmark current benefits to national peer groups.
- Meet with senior executives and management staff up to four (4) times per year to review plan performance and strategic recommendations.
- Provide PPACA and other regulatory updates and interpretation through Turner Consulting's retained counsel Alfred Fowler (Alfred B. Fowler, Attorney at Law). Also provide access to direct legal advice and preparation of Forms 5500 (if needed), subject to separate fee agreement with Alfred Fowler.

Self-Funded Dental/Vision Plan Actuarial Report

- Perform an actuarial review of the dental and vision programs' costs, include rates, IBNR reserves, and recommended Claim Fluctuation Margin.
- Provide quarterly actuarial cost projection updates for strategic planning purposes.

Vendor Renewal Analysis, Financial Management, and Reporting

- Obtain, review, analyze, and make recommendations regarding vendor renewals for dental, vision, life, AD&D, and disability.
- Negotiate renewals with vendors to obtain the best possible rate for the plan's claim experience and fixed costs, including premium rates, reserves, and fixed costs.
- Evaluate plan design and funding options.
- Provide monthly reporting on claims, enrollment, fixed costs, large claims, historical trends, etc.
- Review utilization reports to determine cost drivers, such as type of service, diagnostic categories, network utilization, Rx utilization, etc.
- Facilitate service meetings with vendors to address performance, results, etc.

- Act as a liaison with vendors regarding claim, billing, eligibility, and coverage issues (note this does not include direct interaction with plan participants).
- Review vendor contracts, SPDs, benefit summaries, etc.
- Coordinate implementation of plan design changes and other administration issues with vendors.
- Manage vendor participation in open enrollment as needed.
- Coordinate with communication vendors/resources for the development of open enrollment materials (does not include design or production of materials).

Overall Benefit Program Management and Ad Hoc Projects

- Monitor general program structure, health, and competitiveness.
- Assist in solving program issues that arise.
- Provide ad hoc evaluation and reviews, including program design, financial analysis, COBRA, etc.
- Provide assistance to COUNTY and its Health Committee exploring alternatives to the CalPERS Healthcare Plan

RFPs - Vendor Marketing, Selection, and Implementation

- Develop RFPs and market benefit coverage to mutually agreed-upon vendors, as needed.
- Review proposals, present a summary report, conduct interviews, negotiate best-and-final offers, guarantees, and other financial aspects of bids.
- Coordinate implementation activities, including contracts, communications, administration, and banking, eligibility data transfer, IT system interaction, and claim system testing results.

B. PAYMENT PROVISIONS

B.1 COMPENSATION/ PAYMENT

The term of this Agreement shall be from July 1, 2015 through June 30, 2017, with an option to extend the Agreement for two (2) additional one- (1) year periods.

County shall pay an amount not to exceed \$100,000 during the course of the Agreement 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:

Annual Retainer: Fees for all consulting and actuarial services are \$24,000 per year, payable in 12 equal monthly installments, plus travel expenses. CONTRACTOR shall provide a monthly invoice from Turner Consulting that is payable within 30 days. Because the work may be allocated unequally throughout the year while fees are annualized equally across 12 months, the minimum annual fee for one contract year is 12 times the monthly retainer.

Additional Fees: Additional services outside the above scope will be billed at \$250/hr. Additional onsite meetings will be billed at \$250./hr. with a \$1,500/day minimum and shall not exceed \$14,500 over the term of the agreement. This set amount includes all expenses incurred by CONTRACTOR for his attendance at monthly Health Care Committee meetings.

Health Committee Assistance Fees: For assistance to the County and its Health Committee exploring alternatives to the CalPERS Healthcare Plan (last bullet under Overall Benefit Program Management and Ad Hoc Projects), all fees will be billed at \$250/hr. separately from the Annual Retainer.

This proposal assumes an average of eight (8) hours of work per month, inclusive of meetings, annual actuarial report, and all other services. Should actual work significantly exceed expectations, CONTRACTOR reserves the right to renegotiate the retainer scope and/or fees based on mutual agreement.

These fees assume complete data necessary to perform the work is available and does not require significant manipulation and/or verification of accuracy (other than a normal actuarial review for reasonableness and consistency).

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 CONTRACTOR'S BILLING PROCEDURES

NOTE: Payment shall be based upon satisfactory acceptance of monthly invoices submitted by CONTRACTOR.

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.

COUNTY shall not pay any claims for payment for services submitted more than 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.

EXHIBIT - B

To Agreement by and between
County of Monterey Human Resources Department, hereinafter referred to as "COUNTY"
AND
Turner Consulting & Actuarial, LLC, hereinafter referred to as "CONTRACTOR"

EXCEPTIONS

Section 7.01

This Agreement Section shall be amended by adding "Because the work to be performed under this Agreement may be allocated unequally throughout the year while fees are annualized equally across 12 months, the minimum annual fee for one contract year is 12 times the monthly retainer. In the event of any mid-contract-year termination, pursuant to Section 7.01 of the Agreement, the County agrees to pay the unpaid balance due for the remainder of the 12-month-contract year to reflect the unequal allocation of services throughout the year."

Section 8.01

Indemnification

This Agreement Section shall be amended by adding "COUNTY shall indemnify CONTRACTOR for any omissions and errors on the part of the COUNTY or its vendors including, but not limited to, the provision of erroneous data to CONTRACTOR, upon which CONTRACTOR relies upon to perform the work under the Agreement."

Section 9.03

Business Automobile Liability Insurance -Waived

CONTRACTOR does not have business automobiles. The services in this agreement are handled via phone, e-mail and facsimile (Fax). It is not anticipated that the CONTRACTOR will drive onto County property during the term of this agreement.

Workers' Compensation Insurance -Waived

At the time of execution of this agreement, CONTRACTOR does not have employees and therefore, does not carry Workers' Compensation Insurance coverage. Should CONTRACTOR hire employees during the term of this agreement, CONTRACTOR shall comply with COUNTY's insurance requirements as described in Section 9.03 of the agreement.