



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: A 20-193, **Version:** 1

Approve and authorize the Contracts/Purchasing Officer to sign Amendment No. 3 to the 2016 professional services agreement with Intercare Holdings Insurance Services, Inc. for general liability claims administration services, extending the term by three years, effective July 1, 2020 through June 30, 2023, and increasing compensation over the three-year extension in an amount not to exceed \$442,844, for a total compensation amount not to exceed \$1,063,164.

RECOMMENDATION:

It is recommended that the Board of Supervisors approve and authorize the Contracts/Purchasing Officer to sign Amendment No. 3 to the 2016 professional services agreement with Intercare Holdings Insurance Services, Inc. for general liability claims administration services, extending the term by three years, effective July 1, 2020 through June 30, 2023, and increasing compensation over the three-year extension in an amount not to exceed \$442,844, for a total compensation amount not to exceed \$1,063,164.

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 the amount of \$320,000. The County and Contractor amended the Agreement twice, extending the term to June 30, 2020, and increasing the compensation to an amount not to exceed \$620,320.

County Counsel-Risk Management was actively discussing options with Intercare and others on a revised structure to bring all or a portion of this work in-house; however, due to staffing issues and several vacant positions in the Risk Management Division, we do not have sufficient staffing to bring all of the work in-house associated with managing general liability claims.

This amendment provides for a revised scope of work that will allow Intercare to work collaboratively with County Counsel-Risk Management and assist with management of general liability claims and protection of the County of Monterey's assets. The amendment also allows County Counsel-Risk Management time to continue to thoughtfully explore bringing the work in-house, once we are fully staffed, and bring forward a proposal to the Board on a revised structure, if appropriate and cost effective.

The current "not to exceed amount" of the Agreement is \$620,320. Amendment No. 3 will extend the term of the agreement by three (3) years, effective July 1, 2020 through June 30, 2023, and add an additional amount not to exceed \$442,844 over the three years. The following annual renewal schedule shows the compensation breakdown:

Year	Term	Annual Compensation	Total Not to Exceed
1	July 1, 2020 to June 30, 2021	\$143,273	\$763,593
2	July 1, 2021 to June 30, 2022	\$147,572	\$911,165
3	July 1, 2022 to June 30, 2023	\$151,999	\$1,063,164

OTHER AGENCY INVOLVEMENT:

The attached Amendment No. 3 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).

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:

Cecilia A. Merillana, Management Analyst

Approved by:

Leslie J. Girard, County Counsel

Attachments: Intercare - Original Agreement
 Intercare - Amendment No. 1
 Intercare - Amendment No. 2
 Intercare - proposed Amendment No. 3