



County of Monterey

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

Board Report

File #: A 20-222, Version: 1

Approve and authorize the Contracts/Purchasing Officer to sign Amendment No. 6 to professional services agreement with Intercare Holdings Insurance Services, Inc. for the administration of the County's Workers' Compensation Program effective July 1, 2020 through June 30, 2023, and increasing compensation over the three-year extension in an amount not to exceed \$52,447.89, for a total compensation amount not to exceed \$1,195,518.00.

RECOMMENDATION:

It is recommended that the Board of Supervisors Approve and authorize the Contracts/Purchasing Officer to sign Renewal and Amendment No. 6 to professional services agreement with Intercare Holdings Insurance Services, Inc. for the administration of the County's Workers' Compensation Program effective July 1, 2020 through June 30, 2023, and increasing compensation over the three-year extension in an amount not to exceed \$52,447.89, for a total compensation amount not to exceed \$1,195,518.00.

SUMMARY/DISCUSSION:

The County entered into an Agreement with Intercare Holdings Insurance Services, Inc. on August 29, 2011, for administration of the County's Workers' Compensation Program, effective October 1, 2011 through September 30, 2014 with the option to extend the agreement for two, one-year periods. The Agreement has been amended from time-to-time, most recently, Amendment No. 5 extended the agreement by one year and 9 months through and including June 30, 2020, and increased the annual payment by 2.25% or \$24,479.93 for October 1, 2018 through June 30, 2019, and by 2.75% or \$30,593.12 for July 1, 2019 through June 30, 2020. The total cost of the Agreement since its inception has been \$1,143,070.11.

With the Agreement set to expire on June 30, Amendment No. 6 proposes to extend the agreement on very favorable terms for three years, effective July 1, 2020 through June 30, 2023. The first year's cost is decreased by .05% or \$1,137,911.00 for July 1, 2020 through June 30, 2021. The remaining years are subject to modest increases as set forth in the table below.

Year	Term	Annual Compensation	Total Agreement Value Not to Exceed
1	July 1, 2020 to June 30, 2021	-\$5,159.11	\$1,137,911
2	July 1, 2021 to June 30, 2022	\$28,448	\$1,166,359
3	July 1, 2022 to June 30, 2023	\$29,159	\$1,195,518

A Request for Proposal process was initially contemplated for these services, but due to the COVID-19 pandemic, an RFP could not be completed in a timely manner. In addition, Intercare has provided good service during the life of the Agreement, and proposed favorable terms for renewal. Thus, the recommendation to authorize the Amendment No. 6. An RFP process will be pursued prior to the expiration of the Agreement in 2023.

OTHER AGENCY INVOLVEMENT:

None.

FINANCING:

This agreement will be financed through the Workers' Compensation (WC) - Internal Service Fund (476-1210-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:

Nancy Rice, WC Manager

Approved by:

Les Girard, County Counsel

Attachments: Intercare - Amend. 6
 Intercare - Amend. 5
 Intercare - Amend. 4
 Intercare - Amend. 3
 Intercare - Amend. 2
 Intercare - Amend. 1
 Intercare - Original Agreement