

**AMENDMENT NUMBER ONE  
TO PROFESSIONAL SERVICES AGREEMENT  
FOR CLAIMS ADMINISTRATION**

This Amendment is made and entered into this 1st day of July, 2010, ("Effective Date") by and between the City of Costa Mesa, a municipal corporation ("City") and CARL WARREN & COMPANY, a California corporation ("Consultant").

WHEREAS, Consultant and City entered into an agreement on July 1, 2007, to perform liability third party claims administration; and

WHEREAS, the term of Consultant and City's original Agreement expires on June 30, 2010; and

WHEREAS, Consultant provides assistance with complicated claims. City staff has a good working relationship with Consultant, has been satisfied with the services provided and continuity of services is critical at this time; and

WHEREAS, staff is in need of additional time to better evaluate the liability program and its future needs in light of the current economic climate and potential disruption in services that may occur with a change in administrators, as well as the associated transfer costs; and

WHEREAS, extending the Agreement will also allow sufficient time to complete the RFP process with an anticipated award date of January 1, 2012; and

WHEREAS, Consultant has agreed to keep the fees at the 2009-2010 levels, with the exception of additional fees for file charges, Index/OFAC, updated mileage and a fee related to a new Medicare regulation which will go into effect on January 1, 2011; and

WHEREAS, Consultant and City now wish to amend the Agreement to extend the Agreement and revise the compensation amount in order to allow payment to Consultant for the services provided.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. The compensation amount not to be exceeded in Paragraph 2.1 shall be amended to read:

Consultant shall be paid in accordance with the fee schedule set forth in Exhibit "A," attached hereto and made a part of this Agreement (the "Fee Schedule"). Consultant's annual compensation shall in no case exceed Seventy-Five Thousand Dollars (\$75,000.00).

2. Paragraph 4.1 shall be amended to read, "This Agreement shall commence on the Effective Date and continue until December 31, 2011, unless previously terminated as provided herein or as otherwise agreed to in writing by the parties.
3. All terms not herein defined shall have the same meaning and use as set forth in the Agreement.
4. All other terms, conditions, and provisions of the Agreement not in conflict with this Amendment, shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have set their hand by their duly authorized representatives as of the day and year first above written.

CITY OF COSTA MESA,  
A municipal corporation

\_\_\_\_\_  
Mayor of the City of Costa Mesa

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

CARL WARREN & COMPANY

\_\_\_\_\_  
Signature

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

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

\_\_\_\_\_  
Social Security or Taxpayer ID Number

ATTEST:

\_\_\_\_\_  
City Clerk and ex-officio Clerk  
of the City of Costa Mesa

APPROVED AS TO CONTENT:

\_\_\_\_\_

Project Manager

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

APPROVED AS TO FORM:

\_\_\_\_\_

City Attorney

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



May 19, 2010

City of Costa Mesa  
P.O. Box 1200  
Costa Mesa, CA 92628-1200

Attention: Ms. Jennifer Sommers,  
Human Resources Analyst

Per your request, please find pricing for third party claims administration for the City of Costa Mesa covering the period of July 1, 2010 through December 31, 2011.

**PRICING: 7.1.10 through 12.31.11:**

<u>Services</u>	<u>\$54.00 per hour/billing unit</u>
<u>Mileage</u>	<u>.50 per mile/or IRS rate (the greater of -was .48)</u>
<u>Telephone</u>	<u>8 % of Services</u>
<u>Photocopies</u>	<u>.30 cents per page</u>
<u>Pages/Stenographic</u>	<u>\$5.00</u>
<u>Photographs</u>	<u>\$2.25 each</u>
<u>Office Expense</u>	<u>15 % of Services</u>
<u>Set up fee</u>	<u>1/2 hour Services Rate above</u>
<u>Data Processing</u>	<u>\$30.00 per incident only or in-house reporting</u>
<u>1099 Preparation</u>	<u>Included</u>
<u>Cassettes</u>	<u>Included</u>
<u>Index/OFAC * (per submission)</u>	<u>\$18.00 each (Pass through – was \$15.00)</u>
<u>MMSEA</u>	<u>\$4.85</u>
<u>Miscellaneous **</u>	<u>At Cost</u>
<u>Compass2 / My Carl Warren</u>	<u>\$300.00 monthly administrative billed quarterly</u>

Very Truly Yours,

Michael Reed  
CARL WARREN & CO.

## CARL WARREN & CO.

An Employee-Owned Company  
CLAIMS MANAGEMENT • CLAIMS ADJUSTERS  
770 Placentia Avenue, Placentia, CA 92870-6832  
Mail: P.O. Box 25180, Santa Ana, CA 92799-5180  
Phone: (714)572-5200 • (800)572-6900 • Fax: (714)961-8131