

**AMENDMENT NUMBER TWO
TO PROFESSIONAL SERVICES AGREEMENT**

This Amendment is made and entered into this 20th Day of September, 2011, 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, Amendment Number ONE expires on December 31, 2011.

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, 2013; and

WHEREAS, Consultant has agreed to keep the fees at the 2009-2011 levels; and

WHEREAS, Consultant and City now wish to amend and extend the Agreement 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, 2012, 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

_____ Date: _____

CARL WARREN & COMPANY

_____ Date: _____

ATTEST:

_____ Date: _____