

CITY CLERK
ORIGINAL

C-8508-1
02/10/2016

PROFESSIONAL SERVICES AGREEMENT

(Not Construction Related)

ACTUARIAL SERVICES

Risk Management Trust Fund and Workers' Compensation Trust Fund

This Amendment No. 1 ("Amendment") to the Aon Risk Consultants, Inc. Agreement ("Agreement") is made this 10th day of February, 2016 ("Effective Date") by and between the City of Glendale, an Arizona municipal corporation (the "City"), and Aon Risk Consultants, Inc. an Illinois corporation, ("Consultant") authorized to do business in Arizona.

RECITALS

- A. City and Consultant previously entered into an Agreement for actuarial valuation of its outstanding self-insured liabilities as more fully set forth in Exhibit A Project, Contract C-8508 dated 6/10/2013 ("Agreement"); and
- B. City desires to retain the professional services of the Consultant to perform additional specific duties and produce the specific work product as set forth in Exhibit A Project, attached hereto as **Exhibit A** (the "Project");
- C. The City and Consultant wish to modify and amend the Agreement subject to and strictly in accordance with the terms of this Amendment.

In consideration of the mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and Consultant hereby agree as follows:

1. **Recitals.** The recitals set forth above are not merely recitals, but form an integral part of this Amendment.
2. **Scope of Work.** The Project shall include actuarial analysis and report for City Property Claims on an annual basis for each fiscal year as stated in Exhibit A "Project". All other provisions of the Agreement except as set forth in this Amendment shall remain in their entirety.
3. **Compensation.** The compensation of the Agreement, Exhibit D Compensation shall be changed to include Actuarial Analysis and Report for City Property Claims on an annual basis for each fiscal year. The compensation of the Agreement shall not exceed \$49,750 for the entire term of this Agreement.
4. **Ratification of Agreement.** City and Consultant hereby agree that except as expressly provided herein, the provisions of the Agreement shall be, and remain in full force and effect and that if any provision of this Amendment conflicts with the Agreement, then the provisions of this Amendment shall prevail.

The parties enter into this Agreement effective as of the date shown above.

City of Glendale,
an Arizona municipal corporation



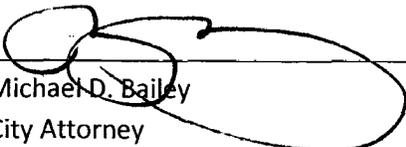
By: Kevin Phelps
Its: City Manager

ATTEST:



Pam Hanna, City Clerk (SEAL)

APPROVED AS TO FORM:



Michael D. Bailey
City Attorney

Aon Risk Consultants, Inc.,
an Illinois corporation.



By: Joseph Kilroy
Managing Director and
National Practice Leader

EXHIBIT A
PROFESSIONAL SERVICES AGREEMENT
PROJECT

On an as-needed basis, the Consultant will provide an actuarial valuation of its outstanding self-insured liabilities for three lines of insurance 1-liability, 2-workers' compensation and 3-City property. Separate actuarial valuations will be done for each self-insured risk. The Consultant will develop estimated outstanding liabilities and funding rates for future fiscal years.

The actuarial valuation must satisfy the requirements of its auditors as well as the Governmental Accounting Standards Board (GASB) #10 requirements and Industrial Commission of Arizona, Title 20, Chapter 5.

At the conclusion of each valuation, a written report will be provided that includes an executive summary and technical section with sufficient information to support all conclusions and to facilitate future analysis.

The project team will consist of the following individuals.

Mr. Mujtaba Dattoo, ACAS, MAAA, FCA. Mr. Dattoo, Actuarial Practice Leader at AGRC, will lead the actuarial work. He is an Associate of the Casualty Actuarial Society, a Member of the American Academy of Actuaries and a Fellow of the Conference of Consulting Actuaries.

Ms. Tracy Fleck, ACAS, MAAA. Ms. Fleck, a consultant and actuary at AGRC, will assist with the actuarial analysis. Ms. Fleck has experience providing reserve and funding analysis for self-insured programs.

Mr. Daniel Park. Mr. Park, an Actuarial Analyst at AGRC, will assist with the actuarial analysis. Mr. Park has experience providing loss projections, estimating outstanding losses and funding studies for self-insured workers compensation, automobile liability, and general liability programs.

Other staff members will provide support as needed.

EXHIBIT D
PROFESSIONAL SERVICES AGREEMENT
COMPENSATION

METHOD AND AMOUNT OF COMPENSATION

Consultant shall be paid on an annual basis for services completed in accordance with the Request For Proposal RFQ 13-001 RMD, Section II. Pricing page. Consultant shall invoice for its services at the completion of its work.

NOT-TO-EXCEED AMOUNT

The total amount of compensation paid to Consultant for full completion of all work required by the Project during the entire term of the Project must not exceed \$49,750.00 in the aggregate.

DETAILED PROJECT COMPENSATION

Actuarial Analysis and Report for both Liability and Workers' Compensation on an annual basis, for each fiscal year

FY 2013/14 - \$6,850

FY 2014/15 - \$6,850

FY 2015/16 - \$6,850

FY 2016/17 - \$6,850

FY 2017/18 - \$6,850

Actuarial Analysis and Report for City Property on an annual basis for each fiscal year

FY 2014/15 - \$2,750

FY 2015/16 - \$2,750

FY 2016/17 - \$2,750

FY 2017/18 - \$2,750

The City may request and the Consultant may provide the following optional or additional professional services:

- (1) – Midyear Actuarial Review at a cost of \$3,250 for each fiscal year;
- (2) - Cost Allocation Plan Critique at a cost of Liability - \$2,500 and Workers' Compensation - \$2,500

All of the proposed fixed fees include telephone, postage and photocopying expenses. Any use tax or federal tax is excluded.

Invoices for the work will be submitted when the report is completed.