

**FIRST AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT
FOR
CONSULTING AND ACTUARIAL REVIEW SERVICES FOR SELF-FUNDED
WORKERS' COMPENSATION AND LIABILITY**

STATE OF TEXAS §
 §
COUNTY OF BEXAR §

FOR VALUE RECEIVED, the receipt and sufficiency of which is acknowledged, this First Amendment to the Professional Services Agreement (“First Amendment”) is entered into by and between the City of San Antonio (“CITY”), a Texas Municipal Corporation, acting by and through its Chief Financial Officer (“CFO”) or said CFO’s designee, pursuant to Ordinance No. _____ passed and approved on the ____ day of _____, 2024 and **Madison Consulting Group, Inc.**, by and through its Vice President/Secretary (“CONSULTANT”). CITY and CONSULTANT may be referred to herein collectively as the “Parties.”

RECITALS

WHEREAS, CITY and CONSULTANT entered into the Professional Services Agreement (the “Agreement”) authorized by City of San Antonio Ordinance No. 2023-11-30-0877, passed and approved on November 30, 2023, and attached hereto as EXHIBIT A; and

WHEREAS, the Parties now seek to amend the terms and conditions of the Agreement in order to increase the services provided by CONSULTANT;

NOW THEREFORE, the Parties hereby agree and amend as follows:

1. The Parties mutually agree to amend the following sections of the Agreement:
 - (A) **ARTICLE III SCOPE OF SERVICES** is amended by deleting all of subsection 3.3 and substituting the following in its place:
 - 3.3 CONSULTANT shall commence the actuarial analysis for the CITY’s self-insured workers’ compensation and liability programs, for the first year of the contract, during the month of December 2023, provide the City with draft copies by the first week of January 2024, and provide separate final reports for workers’ compensation, general liability and automobile liability by the end of January 2024. The next set of reports due from CONSULTANT, covering all prior claim activity and new claims incurred from the time period of October 1, 2023, through March 31, 2024, shall include draft copies by mid-May 2024, and provide separate final reports for workers’ compensation, general liability and automobile liability by the first week in June 2024. CONSULTANT shall present all final reports to the CITY staff in the month completed. The timeline for subsequent years entails commencing work during the month of October, covering all prior claim activity

and new claims incurred from the time period of April 1st of that year through September 30th of that year, with draft copies to the CITY by the third week of November, and final reports by the second week of December of the same year. CONSULTANT shall provide biannual reports for the same time periods (October 1 - March 31 and April 1 – September 30) during each year of the Agreement.

(B) **ARTICLE III SCOPE OF SERVICES** is amended by deleting all of subsection 3.4 and substituting the following in its place:

3.4 CONSULTANT shall provide an estimate of the unpaid loss and allocated loss adjustment expense (ALAE) for CITY's workers' compensation, general liability, and auto liability programs. This estimate will include a provision for known claims as of September 30 and March 31, respectively for each biannual report, as well as claims which have been incurred but not yet reported (IBNR) to CITY.

(C) **ARTICLE III SCOPE OF SERVICES** is amended by deleting all of subsection 3.10 and substituting the following in its place:

3.10 CONSULTANT shall present their biannual reports and walk-through assumptions and calculations used to develop the estimated reserves to CITY management staff.

(D) **ARTICLE IV FEES AND PAYMENT TERMS** is amended by deleting all of subsection 4.1 and substituting the following in its place:

4.1 In consideration of CONSULTANT's performance in a satisfactory and efficient manner, as determined by Director, of all services and activities set forth in this Agreement, CITY agrees to pay CONSULTANT an amount not to exceed \$131,000.00 as total compensation, to be paid to CONSULTANT as follows:

4.1.1 City shall pay \$7,000.00 upon completion of services, meetings, and provision of Fiscal Year 2023 Actuarial Report (Year 1).

4.1.2 City shall pay \$20,000.00, split equally between each report's issuance, upon completion of services, meetings, and provision of the Biannual Fiscal Year 2024 Actuarial Reports (Year 2).

4.1.3 City shall pay \$20,000.00, split equally between each report's issuance, upon completion of services, meetings, and provision of the Biannual Fiscal Year 2025 Actuarial Reports (Year 3).

4.1.4 City shall pay \$20,000.00, split equally between each report's issuance, upon completion of services, meetings, and provision of the Biannual Fiscal Year 2026 Actuarial Reports (Year 4).

4.1.5 City shall pay \$20,000.00, split equally between each report's issuance, upon completion of services, meetings, and provision of the Biannual Fiscal Year 2027 Actuarial Reports (Year 5).

4.1.6 If Contract is renewed, City shall pay \$22,000.00, split equally between each report's issuance, upon completion of services, meetings, and provision of the Biannual Fiscal Year 2028 Actuarial Reports (Year 6).

4.1.7 If Contract is renewed, City shall pay \$22,000.00, split equally between each report's issuance, upon completion of services, meetings, and provision of the Biannual Fiscal Year 2029 Actuarial Reports (Year 7).

(E) **ARTICLE XI ASSIGNMENT AND SUBCONTRACTING** is amended by deleting all of subsection 11.2 and substituting the following in its place:

11.2 It is CITY's understanding, and this Agreement is made in reliance thereon, that CONSULTANT intends to use the following subcontractors in the performance of this Agreement: FTI Consulting, Inc. Any deviation from this subcontractor list, whether in the form of deletions, additions or substitutions shall be approved by Director in writing.

2. All other terms, conditions, covenants and provisions of the Agreement are hereby continued and shall remain in effect in their original form, except for the provisions expressly modified by this First Amendment.

This First Amendment to the Amended and Restated Development Agreement has been fully executed as of the date of signature of the last party to sign.

CITY OF SAN ANTONIO

MADISON CONSULTING GROUP, INC.

(Signature)

(Signature)

Printed Name: _____

Printed Name: John Gleba

Title: _____

Title: Vice President & Secretary

Date: _____

Date: **March 18, 2024**

APPROVED AS TO FORM:

Assistant City Attorney