

**Contract for Special Services Between
County of San Luis Obispo and Carl Warren & Company
EXHIBIT "B"
Financial Arrangements**

I. Contractor Compensation

- a) **Compensation:** Services will be billed on a time and expense basis as follows:

Base rate per billable unit

Year 2012 – 2013:	\$71
Year 2013 – 2014:	\$72
Year 2014 – 2015:	\$73

Base rate per mile

Greater of 55 cents or IRS Rate (capped at 75 miles each direction)

Charge per print for standard photographs

Included

Charge for telephone service

Included

Charge for photocopying

Included

Charge for secretarial services

Included

Charge for file set-up (one time charge per file)

Year 2012 – 2013:	\$71
Year 2013 – 2014:	\$72
Year 2014 – 2015:	\$73

Cost of downloading existing data base

Not Applicable

Additional Charges

Data Processing	\$35 per claim suffix
ISO Indexing	\$18 per suffix*
MMSEA	\$4.85 per submission**

* Index includes Insurance Services Office (ISO) Claim Search and OFAC (a/k/a "pay no terrorist")

** Medicare Mandatory Reporting

- b) **Data Transfer:** Not Applicable
- c) **Access to Claims Management System:** Contractor agrees to provide County with access to the contractor's automated claims management system at no charge to the County, for up to 3 users. Further, contractor will provide free training to County on to use the system to check claim status and program status.
- d) **Contract Extension:** Should the County opt to extend the contract with contractor for an additional year as set out in Section 4 of the contract, contractor agrees that any request for an increase in the hourly compensation will be limited to the increase in the consumer price index for Southern California (minimum 0% - maximum 3%).

II. Funding Arrangements for Payment of Claims and Allocated Expenses

- a) **Funding Responsibilities:** The County will at all times provide funds adequate for the payment of claims and allocated expenses (please see allocated expenses definition in Exhibit "A", Section 1, Subsection A - 2). It is expressly understood that the Contractor will not be required to advance its own funds to pay for claims or allocated expenses.
- b) **Bank Account:** The County will establish and fund a bank account that will be used to pay for all claims and allocated expenses. Funds in said account shall not exceed a sum sufficient to provide for the anticipated payment of claims and allocated expenses for a thirty day period as determined by the County, or the sum of \$20,000, whichever is larger at any one time in accordance with Government Code Section 31000.8. The account will function on a revolving basis,- with the County replenishing the account every two weeks with a like amount to what has been expended during the past two week period.
- c) **Claims/Allocated Expense Payment:** The Contractor will make all payments on behalf of County for claims or allocated expenses. The Contractor will advise the County at least 10 working days in advance of any large payments that could exceed the available balance of the County's bank account. The Contractor will provide the County with a detailed statement of the claim/allocated expense payments on a bi-weekly basis. These statements will serve as the basis for reimbursing the-bank account identified in "Section II, Subsection B" directly above. As an example, if the Contractor made \$28,000 in claims and allocated expense payments over a two-week period, the Contractor would submit an itemized listing of the \$28,000 to the County. The County, in turn, would then replenish the bank account identified in "Section II, Subsection B" by \$28,000.