

## MASTER AGREEMENT

Pursuant to the award of Joint Actuarial Services by the North Central Texas Council of Governments (NCTCOG), this agreement confirms the terms under which the

\_\_\_\_\_ (name of government) hereinafter referred to as 'CONTRACTING GOVERNMENT' has engaged Gabriel, Roeder, Smith & Co. hereinafter referred to as "GRS" to perform actuarial consulting services. In as much as this relationship will involve several actuarial reviews and other services that will be governed by the Request for Proposal issued by NCTCOG on May 31, 2006 and our subsequent response to that proposal, we have agreed to establish this "master agreement" defining the general terms and conditions for all work performed.

This agreement will not, by itself, authorize the performance of any services. Rather specific services will be authorized through a separate engagement letter that references this master agreement and details the services to be provided and the timeframe and fees required. In the event of an inconsistency between this master agreement and an individual engagement letter, the master agreement will be followed.

As described in the above referenced Request for Proposal the following terms apply:

- A. **Tax Exempt Entities.** CONTRACTING GOVERNMENT is exempt from manufacturer's federal excise tax and states sales tax. Tax exemption certificates will be issued upon request.
- B. **Role of NCTCOG.** NCTCOG has served as a facilitator to the RFP and award process but the contractual relationship is between GRS and the CONTRACTING GOVERNMENT.
- C. **Aggregate Information.** GRS agrees to supply NCTCOG with the specified results from the valuations and to aggregate that information with that of other governments for the purpose of benchmarking.
- D. **Fees.** GRS agrees to follow the attached pricing schedule ("Attachment A") for pricing of its services.
- E. **Review of Charges.** CONTRACTING GOVERNMENT has the right to review the supporting documentation for any hourly charges or out of pocket expenses assessed to the CONTRACTING GOVERNMENT under the fee schedule.
- F. **Termination.** Both CONTRACTING GOVERNMENT and GRS will have the right to terminate this agreement through written notice. CONTRACTING GOVERNMENT will pay any charges or prorate fees incurred to the date the termination notice is received and actuary will cease any in progress work unless specific stopping points are provided in the letter.

- G. **Work Product.** The final work product will be the property of the CONTRACTING GOVERNMENT to be used as stated in the specific engagement letter. Ancillary use of the product is permitted but GRS is not responsible for the reliability of those projections. It is understood that all reports are subject to the open records laws of the State of Texas and the contracting jurisdiction.
- H. **Independent Contractor.** All the services provided by GRS will be as an independent contractor. None of the terms in the engagement letter will be interpreted to create an agency or employment relationship.
- I. **Term.** The term of this master agreement will be governed by the afore referenced NCTCOG RFP and will expire on September 30, 2017.
- J. **Complete Agreement.** This letter combined with the specific engagement letter and as clarified by the RFP and Proposal set forth the entire agreement between the CONTRACTING GOVERNMENT and GRS.
- K. **Indemnification.** GRS covenants and agrees to indemnify and hold harmless and defend and does hereby indemnify, hold harmless, and defend CONTRACTING GOVERNMENT, its officers and employees, from and against any and all suits or claims for damages or injuries, including death, to persons or property, whether real or asserted, arising out of any negligent act or omission on the part of the contractor, its officers, agents, servants, employees, or subcontractors, and the contractor does hereby assume all liability for injuries, claims or suits for damages to persons, property, or whatever kind of character, whether real or asserted, occurring during or arising out of the performance of this contract as a result of any negligent act or omission on the part of the contractor, its officers, agents, servants, employees, or subcontractors to the extent permitted by law. Please review this master agreement letter and the attached schedules and indicate your acceptance by having an official of CONTRACTING GOVERNMENT sign below.
- L. **Force Majeure.** A force majeure event shall be defined to include governmental decrees or restraints, acts of God (except that rain, wind, flood or other natural phenomena normally expected for the locality, shall not be construed as an act of God), work stoppages due to labor disputes or strikes, fires, explosions, epidemics, riots, war, rebellion, and sabotage. If a delay or failure of performance by either party to this contract results from the occurrence of a force majeure event, the delay shall be excused and the time fixed for completion of the work extended by a period equivalent to the time lost because of the event.

- M. **Professional Standards.** GRS will provide qualified personnel for each engagement and follow all professional standards ascribed by the American Academy of Actuaries and the Governmental Accounting Standards Board.

GABRIEL, ROEDER, SMITH & CO.

By: \_\_\_\_\_

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

Title: \_\_\_\_\_

CONTRACTING GOVERNMENT

By \_\_\_\_\_

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

Title: \_\_\_\_\_

## Attachment A

### Pricing of Services – Calendar Year 2013\*

The price of the valuation is based on the following components:

a) Number of participants:

Participant Count	Base Fee
Less than 100	<b>\$4,500</b>
100 – 199	<b>\$4,500</b>
200 – 499	<b>\$5,200</b>
500 – 999	<b>\$5,500</b>
1,000 – 2,499	<b>\$6,400</b>
Over 2,500	<b>\$7,000</b>

b) Number of retirement plans:

There is no additional charge if the employees participate in only one retirement plan. For each additional retirement plan, the valuation fee is increased by **\$1,600**.

c) Number of health plans:

There is no additional charge if the participants are covered under only one health plan. For each additional health plan, the valuation fee is increased by **\$1,000**.

d) Annual, biennial or triennial valuation:

The valuation fee is increased by **\$1,200** for valuations which are intended to be used for two fiscal years and by **\$2,400** for valuations which are intended to be used for three fiscal years.

e) Claims analysis:

The valuation fee is increased by **\$2,000** if claims experience is required.

f) Pricing discount:

Employers with very simple plans may be eligible for an **\$800** price reduction. The engagement agreement will specify whether the pricing discount applies.

## Pricing of Services – Calendar Year 2013\*

- ❖ Pricing assumes 20% paid upon acceptance by the government of the engagement, 50% upon receipt of the draft report and 30% upon acceptance of the final report.
- ❖ Fees for additional services and optional services that are not determined as 'basic' will be based on the following rates:

GRS Position Title	Hourly Rates
Senior Consultant	\$395
Consultants	\$310
Senior Analysts	\$200
Actuarial Analysts	\$170
Systems Analysts and Programmers	\$230
Administrative Support Staff	\$125

\*Prices will be adjusted annually beginning in January 2014 based on changes in the Consumer Price Index, All Urban Consumers, on a December over December basis. Current rates for your plan are reflected in the engagement agreement sent with this document.

## Pricing of Services – Calendar Year 2014

The price of the valuation is based on the following components:

a) Number of participants:

Participant Count	Base Fee
Less than 100	<b>\$4,570</b>
100 – 199	<b>\$4,570</b>
200 – 499	<b>\$5,280</b>
500 – 999	<b>\$5,585</b>
1,000 – 2,499	<b>\$6,495</b>
Over 2,500	<b>\$7,105</b>

b) Number of retirement plans:

There is no additional charge if the employees participate in only one retirement plan. For each additional retirement plan, the valuation fee is increased by **\$1,625**.

c) Number of health plans:

There is no additional charge if the participants are covered under only one health plan. For each additional health plan, the valuation fee is increased by **\$1,015**.

d) Annual, biennial or triennial valuation:

The valuation fee is increased by **\$1,220** for valuations which are intended to be used for two fiscal years and by **\$2,440** for valuations which are intended to be used for three fiscal years.

e) Claims analysis:

The valuation fee is increased by **\$2,030** if claims experience is required.

f) Pricing discount:

Employers with very simple plans may be eligible for an **\$810** price reduction. The engagement agreement will specify whether the pricing discount applies.

Note: Each valuation includes an additional NCTCOG administrative fee of \$125.

- ❖ Pricing assumes 20% paid upon acceptance by the government of the engagement, 50% upon receipt of the draft report and 30% upon acceptance of the final report.

## Pricing of Services – Calendar Year 2014

- ❖ Fees for additional services and optional services that are not determined as ‘basic’ will be based on the following rates:

GRS Position Title	Hourly Rates
Senior Consultant	\$410
Consultants	\$320
Senior Analysts	\$205
Actuarial Analysts	\$175
Systems Analysts and Programmers	\$235
Administrative Support Staff	\$130

## Pricing of Services – Calendar Year 2015

The price of the valuation is based on the following components:

a) Number of participants:

Participant Count	Base Fee
Less than 100	<b>\$4,605</b>
100 – 199	<b>\$4,605</b>
200 – 499	<b>\$5,320</b>
500 – 999	<b>\$5,630</b>
1,000 – 2,499	<b>\$6,545</b>
Over 2,500	<b>\$7,160</b>

b) Number of retirement plans:

There is no additional charge if the employees participate in only one retirement plan. For each additional retirement plan, the valuation fee is increased by **\$1,640**.

c) Number of health plans:

There is no additional charge if the participants are covered under only one health plan. For each additional health plan, the valuation fee is increased by **\$1,025**.

d) Annual, biennial or triennial valuation:

The valuation fee is increased by **\$1,230** for valuations which are intended to be used for two fiscal years and by **\$2,460** for valuations which are intended to be used for three fiscal years.

e) Claims analysis:

The valuation fee is increased by **\$2,045** if claims experience is required.

f) Pricing discount:

Employers with very simple plans may be eligible for an **\$815** price reduction. The engagement agreement will specify whether the pricing discount applies.

Note: Each valuation includes an additional NCTCOG administrative fee of \$125.

- ❖ Pricing assumes 20% paid upon acceptance by the government of the engagement, 50% upon receipt of the draft report and 30% upon acceptance of the final report.



## Pricing of Services – Calendar Year 2015

- ❖ Fees for additional services and optional services that are not determined as ‘basic’ will be based on the following rates:

GRS Position Title	Hourly Rates
Senior Consultant	\$415
Consultants	\$325
Senior Analysts	\$205
Actuarial Analysts	\$175
Systems Analysts and Programmers	\$235
Administrative Support Staff	\$130