

ACTION ITEM

Board of Governors Meeting, September 25, 2019

CONTRACT ID:	BACKGROUND CHECKS, I-9S AND E-VERIFY SERVICES RECOMMENDED VENDOR: STERLING INFOSYSTEMS, INC. DBA STERLING
BUDGETED ITEM	Funding to be included in the Annual Operating Budget for each respective contract term year.
CONTRACT AMOUNT	The contract amount, including renewals, shall not exceed \$659,000, which includes \$467,750 for five (5) year base term and \$191,250 for the five (5) year renewal term. The base term includes the one-time initial review expense for approximately 7,000 current agents.
PURPOSE / SCOPE	<p>This Action Item requests Board approval of a contract with Sterling Infosystems, Inc. dba Sterling, to provide background investigation reporting services, via a secure web-based software as a service (SaaS) system, for Human Resources and Underwriting and Agency Services.</p> <p>This is a continuation of services Human Resources currently utilizes for pre-employment screening. The Vendor will obtain, evaluate, and process criminal histories, identity verifications, employment and educational verifications, international background investigations, motor vehicle records, as well as process I-9 Forms utilizing the E-Verify system for new employees.</p> <p>Sterling will also provide expanded services in order for Citizens to comply with Federal law 18 USC 1033 which prohibits any individual who has been convicted of a felony involving dishonesty or breach of trust from engaging in the “business of insurance”.</p> <p>Those expanded services will include:</p> <ol style="list-style-type: none">1.) Human Resources will use these services to run criminal background checks on the current employee base and approximately every five (5) years thereafter.2.) Underwriting and Agency Services will use these services to run criminal background checks on the current agent base. They will also use these services as part of the ongoing credentialing process.
CONTRACT TERM(S)	The contract term will have a five (5) year base term, with the option to renew for up to an additional five (5) years.
PROCUREMENT METHOD	On March 11, 2019, Citizens issued Invitation to Negotiate No. 19-0008, Background Checks for Employees & Agents. Vendor responses were due by April 10, 2019 and four (4) responses were timely submitted. The proposals were reviewed and scored by an Evaluation Committee who recommended the top two (2) vendors for advancement to negotiations. On August 27, 2019, the Negotiation Team recommended an award to the vendor that provided the best overall value – Sterling Infosystems, Inc. dba Sterling.
RECOMMENDATION	Staff recommends that Citizens' Board of Governors: <ol style="list-style-type: none">a) Approve a contract with a five (5) year base term amount of \$467,750, with the option to renew for an additional five (5) years for \$191,250, for a total

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	<p>amount not to exceed \$659,000, to Sterling Infosystems, Inc. dba Sterling, as set forth in this Action Item; and</p> <p>b) Authorize staff to take any appropriate or necessary actions consistent with this Action Item.</p>
<p>CONTACTS</p>	<p>Violet Bloom, Chief of Human Resources Officer Steve Bitar, Chief of Underwriting and Agency Services</p>