

ACTION ITEM

Actuarial and Underwriting Committee Meeting, December 3, 2019
Board of Governors Meeting, December 11, 2019

CONTRACT ID	<p>Agency Management System Subscription Services, Professional Services and Staff Augmentation for Implementation and Ongoing Support</p> <p>CONTRACT NUMBER: Various (see list below)</p> <p><u>Citizens-Procured Contracts</u></p> <ul style="list-style-type: none">• 15-15-0019-01 through 15-15-0019-24 Contingent Staffing Services <p><u>State Term Contracts and Alternate Contract Sources approved by the State of Florida Department of Management Services</u></p> <ul style="list-style-type: none">• 252-GSA Schedule 70 Information Technology Equipment, Software, and Services• 81141902-VITA-18-ACS Information Technology Research and Advisory Services• 80101507-SA-15-01 Information Technology Staff Augmentation Services• 973-000-14-01 Management Consulting Services• 43210000-US-16-ACS Technology Products, Services, Solutions, and Related Products and Services• 432300000-NASPO-16-ACS Cloud Solutions
BUDGETED ITEM	<p>Yes. The contract spend described in the Contract Amount section below was approved by the Board on April 11, 2018 as a part of the total project budget (\$11,428,421) associated with Action Item 07Bc – Agency Management System. A portion of the Contract Amount was included in the 2019 Annual Operating Budget and the remainder will be included in subsequent budget years.</p>
CONTRACT AMOUNT	<p>\$3,506,789*. For the reasons described in the following Purpose / Scope section, this Action Item seeks Board approval to reallocate contract spend specific to implementation and support services that was previously approved by the Board on April 11, 2018 via Action Item 07Bc – Agency Management System. This reallocation is described in the following narrative and illustrations.</p> <p>In Action Item 07Bc – Agency Management System, in addition to the contract spend associated with software licenses and subscription services (totaling \$7,669,632, which is not within the scope of the reallocation request of this Action Item), the Board approved a total of \$3,758,789 for implementation (\$1,777,830 which includes a 30% contingency amount of \$308,730) and support services (\$1,980,959). Of that amount, \$252,000 has been incurred for implementation services performed by the implementation vendor (Vertiba, LLC) leaving a remaining unconsumed contract spend amount of \$3,506,789.</p> <p>The reallocated contract amount utilizing the contracts described herein will not exceed the unconsumed contract spend amount of \$3,506,789 remaining from the total contract spend amount (as illustrated below) less any subsequent dispute resolution amount associated with the termination of Vertiba, LLC. When such</p>

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dispute resolution amount is determined, the spend reallocation approval by the Board under this Action Item will be correspondingly reduced. Citizens staff will brief the Board of any dispute resolution at a subsequent Board meeting.

Ten-Year Costs Previously Approved by the Board

Software Licenses and Subscription Services (Vendors: Salesforce.com, Inc., Jitterbit, Inc.)		\$7,669,632
Implementation and Support Services (Vendor: Vertiba, LLC)		<u>\$3,758,789</u>
Implementation (includes a 30% contingency)	\$1,777,830	
Support Services	\$1,980,959	
Total Ten-Year Cost (2018-2028)		<u>\$11,428,421</u>

Requested Reallocation of Ten-Year Costs

Software Licenses and Subscription Services (Vendors: Salesforce.com, Inc., Jitterbit, Inc.)		\$7,669,632
Implementation, Ongoing Support Services and/or Additional Software Licenses/Subscription Services		<u>\$3,758,789</u>
Less Costs Incurred (Vertiba, LLC)	\$252,000	
<i>Remainder Amount Requested for Reallocation (vendors to be determined using contracts described herein)</i>	\$3,506,789*	
Total Ten-Year Cost (2018-2028)		<u>\$11,428,421</u>

*This will be reduced by the amount associated with the resolution of dispute between Citizens and Vertiba, LLC

PURPOSE / SCOPE

In short, Citizens is seeking to reallocate spend previously approved by the Board utilizing the additional contracts described in the Contract ID section—this is not a request for additional spend or budget.

This Action Item seeks Board approval to reallocate contract spend to purchase additional software licenses/subscription services (e.g. additional licenses, license upgrades or additional storage), professional services (e.g. managed services or product support) and/or staff augmentation utilizing the contracts described in the Contract ID section for as-needed assistance in the implementation, use of, and ongoing support of the Agency Management System project. The Agency Management System is an application utilizing the Salesforce cloud-based management system platform that will be used by Citizens to improve the way

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	<p>Citizens' staff manage and transact business with its authorized insurance agencies and agents in Florida.</p> <p>In April 2019, Citizens determined that the project would have a greater likelihood of being implemented more efficiently and effectively using Citizens' staff and individually contracted services than would Citizens' previously selected model of outsourcing the project to a third-party implementer. Consequently, Citizens terminated for convenience the contract with Vertiba, LLC and now seeks to utilize additional software licenses/subscription services, professional services, and/or staff augmentation to assist Citizens' staff on an as-need basis in the implementation, use of, and ongoing support of the Agency Management System. Additional benefits of insourcing the implementation and ongoing support of this project include enhanced knowledge transfer and skills' development so that Citizens can potentially leverage the Salesforce platform for other Citizens business needs in the future.</p>
CONTRACT TERM(S)	<p>The contract terms are as follows:</p> <ul style="list-style-type: none">• Citizens' Contingent Worker Contracts: term of December 21, 2015 – December 20, 2020, with five 1-year renewals.• State Term Contracts and Alternate Contract Sources approved by the State of Florida Department of Management Services: varying terms through April 30, 2021, with a likelihood of longer term renewals or replacements.
PROCUREMENT METHOD	<p>The Citizens-Procured Contracts, State Term Contracts, and Alternate Contract Sources described in the Contract ID section were previously authorized by the Board for use by Citizens and, consistent with Citizens' Purchasing Policy, any expenditures hereunder shall be made utilizing the described contracts.</p>
RECOMMENDATION	<p>Citizens Actuarial and Underwriting Committee recommends the Board:</p> <ol style="list-style-type: none">a) Approve this Action Item totaling \$3,506,789 for the contracts listed in the Contract ID section for the remainder of the 10-year term previously authorized by the Board, as set forth in this Action Item; and,b) Authorize staff to take any appropriate or necessary actions consistent with this Action Item.
CONTACTS	<p>Steve Bitar, Chief, Underwriting and Agency Services Carl Rockman, Senior Director, Agency and Market Services</p>