

ACTION ITEM

Board of Governors Meeting, March 25, 2020

CONTRACT ID	Operational Assessment Services ITN 20-0010 RECOMMENDED VENDOR: ERNST & YOUNG, LLP
BUDGETED ITEM	Yes
CONTRACT AMOUNT	Total contract amount is not to exceed \$250,000, consisting of base service fees of \$235,000 and contingency fees of \$15,000 for change orders and travel expenses.
PURPOSE / SCOPE	<p>This Action Item requests Citizens Board of Governors approval of a contract with Ernst & Young, LLP for strategic consulting services regarding litigated claims management, with emphasis on evaluating current practices and providing recommendations in the following areas:</p> <ul style="list-style-type: none"> • Selection of defense counsel roster via a solicitation process • Process for assignment and oversight of cases • Appropriate fee structures for legal services • Law firm performance management and metrics • Processes and remedies for managing law firm performance issues • Litigated claims cost management • Structure and workflow of Citizens in-house litigation resources <p>The scope of services includes front-end information gathering with Citizens staff followed by a detailed Operational Assessment Report. Post-engagement support services are also included. To avoid conflicts of interest, the vendor cannot recommend itself for any ongoing solutions or products (e.g., data services, software systems or additional consultation).</p>
CONTRACT TERM(S)	The contract term is anticipated to be one year, commencing in April 2020, with the Operational Assessment Report delivered by June 15, 2020, and limited follow-up support for up to nine months thereafter.
PROCUREMENT METHOD	<p>One year ago, Citizens issued a formal Request for Information for this subject area. As a result of that RFI, Citizens received and reviewed industry information from five (5) potential vendors.</p> <p>On January 3, 2020, after completing the RFI process, Citizens issued Invitation To Negotiate 20-0010 for Operational Assessment Services. Three (3) vendor responses were received, and two (2) of those vendors were advanced to negotiations. The Citizens negotiations team conducted negotiations over the course of several weeks, including two face-to-face meetings in late February with vendor representatives in Jacksonville, Florida.</p> <p>On March 16, 2020, the negotiation team recommended an award of contract to Ernst & Young, LLP.</p>

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RECOMMENDATION	Staff recommends the Citizens Board of Governors: <ul style="list-style-type: none">a) Approve the proposed contract with Ernst & Young, LLP for Operational Assessment Services, ITN 20-0010, for an amount not to exceed \$250,000 and a term not to exceed one year, as set forth in this Action Item; andb) Authorize staff to take any appropriate or necessary actions consistent with this Action Item.
CONTACTS	Jay Adams, Chief Claims Officer