

# Executive Summary

**Claims Committee Meeting, December 8, 2020**

Board of Governors Meeting, December 16, 2020

## Sinkhole Engineering Services, RFP 20-0021

This Action Item seeks approval to contract with the following vendors as listed on the Notice of Intent to Award published on August 18, 2020 in response to RFP 20-0021 for Sinkhole Engineering Services:

- Universal Engineering Sciences, LLC (“Universal”)
- SDii Global Corporation (“SDii”)
- Geo-Technologies, Inc. (“Geo-Tech”)

### History

Given the sinkhole coverage afforded under current policy, Citizens identified the need to retain a network of qualified vendors to ensure standardization of pricing, service standards and reporting for the following services:

- Sinkhole Loss Testing and Evaluation Services for determination of structural damage or sinkhole loss as outlined by Florida Statute 627.7072;
- Stabilization Monitoring Services, for such times that sinkhole loss testing and evaluation has confirmed Sinkhole activity;
- Expert Consulting Services;
- Training Services; and
- Miscellaneous Services as needed by Citizens, such as providing testimony in litigation over disputed insurance claims.

Ten years ago, Citizens issued Invitation to Negotiate (ITN) 10-0096 for Sinkhole Survey and Geotechnical Engineering Services. Twenty-one vendors were recommended for award, which the Board of Governors approved during their March 20, 2011 meeting. The contracts expired in July 2016. Over 11,000 assignments were completed during the contract term with a total contract spend of approximately \$98,656,126.10.

Five years ago, to continue these services, Citizens issued Request for Proposals (RFP) 15-0031 for Sinkhole Engineering Services. Seventeen vendors were recommended for award, which the Board of Governors approved during their March 16, 2016 meeting. These contracts will expire in March 2021. As of the end of October 2020, a little over 500 assignments have been completed under these contracts with a total spend of approximately \$4,386,663.75.

Despite the reducing claim volume, the need to retain sinkhole engineering contractors remains. As such, on June 18, 2020, Citizens issued RFP 20-0021 for Sinkhole Engineering Services. Only three (3) vendors responded, and all three (3) vendors (referenced above) were recommended for award on August 18, 2020. All three vendors have performed work for Citizens in the past five (5) years and Citizens’ staff is confident that these vendors can meet Citizens’ needs for the next five (5) years.

### Recommendation

The recommendation is listed in the attached Action Item.

# ACTION ITEM

Claims Committee Meeting, December 8, 2020  
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| <input checked="" type="checkbox"/> Contract – New              | <input type="checkbox"/> Committee or Board Minutes |
| <input type="checkbox"/> Contract – Amendment of Contract Terms | <input type="checkbox"/> Product Changes            |
| <input type="checkbox"/> Contract – Additional Spend            | <input type="checkbox"/> Other _____                |

<b>Contract ID</b>	<b>Sinkhole Engineering Services</b> <b>RFP 20-0021</b> <b>Recommended Vendor(s): Universal Engineering Sciences, LLC (Universal), SDii Global Corporation (SDii), Geo-Technologies, Inc. (Geo-Tech)</b>
<b>Budgeted Item</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Yes. Funding for this contract is paid for on an individual claim-by-claim basis as a Loss Adjusting Expense (LAE).
<b>Procurement Method</b>	A Request for Proposal for Sinkhole Engineering Services, RFP 20-0021 was issued on June 18, 2020 and a Notice of Intent to Award was published on August 18, 2020, with an intent to award contracts to the three (3) vendors.
<b>Contract Amount</b>	The estimated contract amount (inclusive of all contracts) is \$6,000,000 for the recommended three (3) year base term of the contract and \$4,000,000 for the two (2) year renewal, for a total of \$10,000,000.
<b>Contract Term(s)</b>	The contract term for each awarded vendor is a three (3) year base term with one (1) optional two (2) year renewal.
<b>Purpose/Scope</b>	<p>The Sinkhole Engineering Services program is intended to provide a credentialed network of experienced sinkhole engineering contractors.</p> <p>Since 2011, Citizens' Claims department has had a sinkhole engineering program in place. Under the contracts, over 11,000 assignments were completed under the 2011-2016 contract, and under the current contract, a little over 500 have been completed. While claim volume has reduced for sinkhole engineering services, the need to retain a network of contracted and qualified vendors remains to ensure standardization of pricing along with service standards and reporting, which translates to increased productivity for Citizens' staff, controlled spend and improved customer service through monitored performance standards.</p> <p>Claims' Sinkhole Engineering Services will require vendors to provide services for the following:</p> <ul style="list-style-type: none"><li>• Sinkhole Loss Testing and Evaluation Services for determination of structural damage or sinkhole loss as outlined by Florida Statute 627.7072;</li><li>• Stabilization Monitoring Services, for such times that sinkhole loss testing and evaluation has confirmed Sinkhole activity;</li><li>• Expert Services;</li><li>• Training Services; and,</li></ul>

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	<ul style="list-style-type: none"><li>• Miscellaneous Services as needed by Citizens, such as providing testimony in litigation over disputed insurance claims.</li></ul>
<b>Committee Recommendation</b>	<p>Staff proposes that the Claims Committee review and approve for consideration by the Board of Governors to:</p> <ul style="list-style-type: none"><li>a) Authorize the Sinkhole Engineering Services contract with Universal, SDii and Geo-Tech for an initial term of three (3) years and an optional renewal term of two (2) years, for an amount not to exceed \$10,000,000, as set forth in this Action Item;</li><li>b) Authorize staff to take any appropriate or necessary action consistent with this Action Item.</li></ul>
<b>Contacts</b>	Jay Adams, Chief Claims Officer