

Executive Summary

Claims Committee Meeting, February 23, 2021
Board of Governors Meeting, March 3, 2021

Water Mitigation and Mold Remediation Estimate Review Services

This Action Item seeks approval to contract with the vendors as listed on the Notice of Intent to Award, published on November 17, 2020, in response to RFP 20-0020 for Water Mitigation and Mold Remediation Estimate Review Services. They are Lynx Services, LLC (Primary Award) and The Fast Team, LLC (Contingent).

History

Citizens' Water Mitigation and Mold Remediation Estimate Review Program currently uses Lynx Services to conduct independent objective reviews of all water mitigation invoices submitted by any mitigation company. This contract began on August 8, 2016 and will expire on August 7, 2021. Over 18,000 assignments were completed during the contract term with a total contract spend of approximately \$2,773,730. Although a significant expense, this has historically resulted far greater claims expense reductions for these types of invoices, which savings, by multiple factors, more than offset the total contract spend.

During the past contract term, the typical audited invoice process generates substantial reductions from the original invoiced amounts. The total savings achieved from all original invoice reductions often exceeds \$1,000,000 per month. This has been a very successful program whose results are anticipated to continue.

As a result of contract expiration, Citizens' Claims department issued RFP 20-0020 on August 25, 2020 to secure a vendor who will continue to perform independent, objective, and expert reviews of all water mitigation and mold remediation invoices submitted by any mitigation company. The vendor will be required to determine if the invoices are reasonable and in adherence with industry standards and guidelines. An objective review of invoiced mold damages will also be reviewed and assessed.

The vendor will assess contractor invoices for restoration work performed on residential, commercial and specialty property losses due to water and mold damage. The vendor will be responsible for identifying overcharges and, when requested, will assist with recovery of overcharges. This can include working with attorneys to settle the matter or provide testimony as an expert witness in legal proceedings. The review process is required to follow Xactimate, IICRC (The Clean Trust), and industry recommendations, in conjunction with scientific drying methodologies.

Six (6) vendors responded to RFP 20-0020 for Water Mitigation and Mold Remediation Estimate Review Services. Each vendor was thoroughly evaluated by the designated Evaluation Team. Two (2) vendors (referenced above) were recommended for award on November 17, 2020, having significantly higher scores from the Evaluation Team. Lynx Services, LLC received the highest overall score. In addition, Lynx Services, LLC received the highest score for its most favorable pricing, immediately followed by The Fast Team, LLC. Also, significantly, Lynx's pricing is consistent with current pricing and will remain stable for the entire initial three-year term of the contract. If the renewal option is exercised for the two-year renewal options, the increase is 5 percent. Citizens' staff remains confident that these vendors can meet Citizens' needs for the next (5) years.

Recommendation

The recommendation is listed in the attached Action Item.

ACTION ITEM

New Contract

Contract Amendment

Other _____

CONSENT ITEM

Contract Amendment

Existing Contract Extension

Existing Contract Additional Spend

Previous Board Approval _____

Other _____

Action Items: Items requiring detailed explanation to the Board. When a requested action item is a day-to-day operational item or unanimously passed through committee it may be moved forward to the board on the Consent Index.

Move forward as Consent: This Action item is a day-to-day operational item, unanimously passed through committee or qualifies to be moved forward on the Consent Index.

Consent Items: Items not requiring detailed explanation to the Board of Governors. Consent items are contract extensions, amendments or additional spending authorities for items previously approved by the Board.

| | |
|-------------------------|--|
| Item Description | Water Mitigation and Mold Remediation Estimate Review Services |
| Purpose/Scope | <p>Citizens' Water Mitigation and Mold Remediation Estimate Review Program will use this Vendor to perform independent, objective reviews of all water mitigation invoices submitted from any mitigation company. The review will determine if the invoices are reasonable and in adherence with industry standards and guidelines. If requested, an objective review of mold damages will also be performed and assessed.</p> <p>The Vendor will also be responsible, upon request, to assist with recovery of these overcharges. This can include working with attorneys to settle the matter or provide testimony as an expert witness in legal proceedings. The review process shall follow Xactimate, IICRC (The Clean Trust), and industry recommendations, in conjunction with scientific drying methodologies.</p> |
| Contract ID | <p>Water Mitigation and Mold Remediation Estimate Review Services RFP 20-0020 Lynx Services, LLC (Primary) and The Fast Team LLC (Contingent)</p> |
| Budgeted Item | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Funding for this contract is paid for on an individual claim-by-claim basis as a Loss Adjusting Expense (LAE).</p> |

| | |
|--|--|
| Procurement Method | The Request for Proposal for Water Mitigation and Mold Remediation Services, RFP 20-0020, was issued on August 25, 2020. This solicitation resulted in six (6) vendors submitting proposals which were each evaluated for potential award. The Notice of Intent to Award was published on November 17, 2020, with an intent to award this contract to Lynx Services, LLC (Primary), with The FAST Team LLC awarded as a contingent vendor, should the Primary prove unable to perform. |
| Contract Amount | The estimated contract amount is \$1,678,500 for the recommended (3) year base term of the contract and \$1,347,680 for the two (1) year renewal option, for a total of \$3,026,180. |
| Contract Terms | The contract term is a (3) year base term with (2) optional (1) year renewals. |
| Committee Recommendation | <p>Staff proposes that the Claims Committee review, and if approved recommend the Board of Governors:</p> <ul style="list-style-type: none"> a) Approve the Water Mitigation and Mold Remediation Estimate Review Services contract with Lynx Services, LLC (Primary Award) and The Fast Team, LLC (Contingent) for an initial term of (3) years and two optional renewal terms of (1) year, for an amount not to exceed \$3,026,180, as set forth in this Action Item; and b) Authorize staff to take any appropriate or necessary action consistent with this Action Item. |
| Board Recommendation from Committee | <p>If approved at its February 23, 2021 meeting, the Claims Committee recommends that the Board of Governors:</p> <ul style="list-style-type: none"> a) Approve the Water Mitigation and Mold Remediation Estimate Review Services contract with Lynx Services, LLC (Primary Award) and The Fast Team, LLC (Contingent) for an initial term of (3) years and two optional renewal terms of (1) year, for an amount not to exceed \$3,026,180, as set forth in this Action Item; and b) Authorize staff to take any appropriate or necessary action consistent with this Action Item. |
| Contacts | Jay Adams, Chief Claims Officer |