

# Executive Summary

Claims Committee Meeting, March 10, 2022

Board of Governors Meeting, March 23, 2022

## Commercial Adjusting Services

### Topic

This Consent Item seeks Board approval for a six-month extension to our existing Commercial Adjusting Services agreements with Alacrity Solutions Group, LLC., Bradley Stinson & Associates, Inc., BrightClaim, LLC and QA Claims. The existing agreements' four (4) year base term and three (3) one-year renewal options have been fully exercised, so the agreements are set to expire October 22, 2022.

### History

The requested six-month extension would extend the agreements through April 22, 2023, subject to the same terms and conditions set forth in the agreement. The six-month extension is authorized pursuant to Citizens' Purchasing Policy and Section 287.057(13), Florida Statutes.

During the extension period, Claims' management will evaluate options for a future procurement. Since Citizens last procured the services in 2015, our total commercial policy count has reduced from 27,463 to 4,818 as of January 31, 2022. The lower policy count lends itself to a lower daily claim volume, except for a catastrophic event. As a result of the reduced daily volume, it has become increasingly difficult for vendors to retain the qualified resources needed to adequately adjust these risks, which often encompass several stories and/or several buildings.

Claims management is currently considering incorporating commercial adjusting services into a larger adjusting services procurement. This approach would allow vendors to not only support our commercial adjusting needs, but residential as well, which should strengthen our pool of available adjusting resources, provide for consistency with the adjusting process overall, and provide balanced volume for our contracted vendors.

The requested extension will afford management the opportunity to review and determine the best approach for reprocurring these services. It also allows for Citizens to complete the competitive solicitation process for consideration of awarded contracts by the Claims Committee and if approved, by the Board of Governors, by no later than their Q1 2023 meetings.

No additional funds are being requested for this Consent Item. The Board has approved contract spend of up to \$31,800,000, with \$13,215,792.28 remaining as of January 31, 2022.

### Recommendation

The recommendation is listed in the attached Consent Item.

## Commercial Adjusting Services

ACTION ITEM

New Contract

Contract Amendment

Other \_\_\_\_\_

CONSENT ITEM

Contract Amendment

Existing Contract Extension

Existing Contract Additional Spend

Previous Board Approval - 9/30/2015

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.

<b>Item Description</b>	<b>Commercial Adjusting Services, RFP 15-0018</b>
<b>Purpose/Scope</b>	<p>This Consent Item seeks Board approval for a six-month extension to our existing Commercial Adjusting Services agreements, subject to the same terms and conditions set forth in the agreements. The agreements are currently set to expire October 22, 2022. Their four (4) year base term and three (3) one-year renewal options have been fully exercised.</p> <p>The requested six-month extension would extend the agreements through April 22, 2023. The extension is authorized pursuant to Citizens' Purchasing Policy and Section 287.057(13), Florida Statutes.</p> <p>The extension will afford Claims' management the opportunity to consider incorporating commercial adjusting services into a larger adjusting services procurement. It also allows for Citizens to complete the new competitive procurement for consideration of awarded contracts by the Claims Committee and if approved, by the Board of Governors by no later than their Q1 2023 meetings.</p>
<b>Contract ID</b>	<p>Commercial Adjusting Services                  RFP 15-0018                  Vendors: Alacrity Solutions Group, LLC, Bradley Stinson &amp; Associates, Inc., BrightClaim, LLC, QA Claims</p>

## Commercial Adjusting Services

<p><b>Budgeted Item</b></p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>This Consent Item is not requesting additional funds. The requested extension does not require an increase to previously approved funds.</p>
<p><b>Procurement Method</b></p>	<p>The requested six-month extension is an amendment to the existing, previously procured agreements for Commercial Adjusting Services. Citizens' Purchasing Policy and Section 287.057(13), Florida Statutes, authorize a six-month extension of those agreements, subject to the same terms and conditions set forth in the original agreement and any amendments.</p> <p>On June 25, 2015, Citizens issued Request for Proposals, RFP 15-0018, for Commercial Adjusting Services. Seven (7) proposals were timely submitted and scored by an Evaluation Committee, who recommended to award to six (6) vendors on August 26, 2015. Currently, there are four (4) remaining vendors contracted to perform services under the contract.</p>
<p><b>Contract Amount</b></p>	<p>This Consent Item is not requesting an increase to Board approved spend for these agreements. The Board approved an initial contract spend of \$16,800,000 on September 30, 2015. An additional \$15,000,000 was approved on September 26, 2018, for a total of \$31,800,000. As of January 31, 2022, the contract balance remaining is \$13,215,792.28.</p>
<p><b>Contract Terms</b></p>	<p>The agreements have a four (4) year initial base term, with three (3) optional one (1) year renewal terms. The base term and renewal terms have been exercised. The agreements are scheduled to expire on October 22, 2022.</p>
<p><b>Committee Recommendation</b></p>	<p>Staff proposes that the Claims Committee review, and if approved recommend the Board of Governors:</p> <ul style="list-style-type: none"> <li>a) Authorize a six-month extension, through April 22, 2023, of the Commercial Adjusting Services Agreements with Alacrity Solutions Group, LLC., Bradley Stinson &amp; Associates, Inc., BrightClaim, LLC, and QA Claims, as set forth in this Consent Item; and</li> <li>b) Authorize staff to take any appropriate or necessary action consistent with this Consent Item.</li> </ul>
<p><b>Board Recommendation from Committee</b></p>	<p>If approved at its March 10, 2022 meeting, the Claims Committee recommends that the Board of Governors:</p> <ul style="list-style-type: none"> <li>a) Authorize a six-month extension, through April 22, 2023, of the Commercial Adjusting Services Agreements with Alacrity Solutions Group, LLC., Bradley Stinson &amp; Associates, Inc., BrightClaim, LLC, and QA Claims, as set forth in this Consent Item; and</li> <li>b) Authorize staff to take any appropriate or necessary action consistent with this Consent Item.</li> </ul>
<p><b>Contacts</b></p>	<p>Jay Adams, Chief Claims Officer</p>