

# Executive Summary

Claims Committee Meeting, June 23, 2022

Board of Governors Meeting, July 13, 2022

## Claims Print Management Hardware & Software

### Topic

This Consent Item seeks Board approval for \$50,500 in additional contract spend under Citizens' current lease with Quadient for Claims Print Management Hardware and Software. This would result in total approved spend of \$465,500. The Board previously approved \$415,000 in spend for the life of the lease in June 2019. Due to projects that were not anticipated at the time of lease inception, additional expenses have been incurred that were not contemplated in the original approved spend request. These projects required Quadient to devote development hours resulting in additional professional services and software expense. Due to this additional expense, it is estimated that existing approved spend will be depleted by Q3 2023. The additional requested spend is intended to cover all routine monthly lease payments as well as professional services expenses through expiration of this lease.

### History

Citizens entered the lease with Quadient in 2020. The lease provides our Claims department with an automated mail insertion solution to collate indemnity and expense checks with their supporting documents, insert the packages into outside envelopes, and seal and meter the mail pieces. The solution also automates the Proof of Mail process by producing postal reports required by the USPS to prove entry of a mail piece into the USPS mail stream. This service is provided under Florida State Term Contract No. 44102100-17-1 as a four (4) year lease agreement. Citizens has partnered with Quadient for the past twelve (12) years via this State Term Contract arrangement. Citizens reassesses the services available in the market for each new lease.

In 2021 there was an accounting software upgrade which affected the existing integration with the Quadient software. The upgraded accounting software operates on a platform that was not inherently configurable within the Quadient software. This required some development work for Quadient to be able to process data from this new platform. This resulted in additional ongoing software expenditures totaling \$6,688 per year for three (3) years, as well as a one-time development fee of \$5,913. Additionally, there will be another large project that will be conducted during the course of this lease term. It involves migrating our servers from a CSX hosted computing service to an Azure hosted computing service. This will also require Quadient's involvement and additional professional service hours. The additional spend requested is intended to cover all scheduled lease payments as well as any professional services expense incurred through the course of this lease term.

### Recommendation

The recommendation is listed in the attached Consent Item.

## Claims Print Management Hardware & Software

**ACTION ITEM**

**New Contract**

**Contract Amendment**

**Other** \_\_\_\_\_

**CONSENT ITEM**

**Contract Amendment**

**Existing Contract Extension**

**Existing Contract Additional Spend**

**Previous Board Approval – June 19, 2019**

**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>Claims Print Management Hardware &amp; Software</b> Florida State Term Contract No. 44102100-17-1
<b>Purpose/Scope</b>	This Consent Item seeks Board approval for \$50,500 in additional contract spend under Citizens' current lease with Quadient for Claims Print Management Hardware and Software. This would result in total approved spend of \$465,500. The Board previously approved \$415,000 in spend for the life of the lease in June of 2019. The additional spend is requested for professional services and software needed due to an accounting software upgrade and an anticipated migration of Citizens servers to the Azure cloud.
<b>Contract ID</b>	<b>Claims Print Management Hardware &amp; Software</b> Florida State Term Contract No. 44102100-17-1 Quadient
<b>Budgeted Item</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Procurement Method</b>	Citizens utilized the Florida State Term Contract for Mail Processing Equipment, Contract No. 44102100-17-1, in accordance with Citizens' Purchasing Policy and state procurement laws.

## Claims Print Management Hardware & Software

<b>Contract Amount</b>	Original Board approved spend was \$415,000 for the life of the lease. Citizens is requesting an additional \$50,500 in approved spend, for a total of \$465,500.
<b>Contract Terms</b>	This lease agreement has a forty-eight (48) month term, effective January 19, 2020 to January 18, 2024, with no renewal options.
<b>Committee Recommendation</b>	Staff proposes that the Claims Committee review, and if approved recommend the Board of Governors:  a) Approve an additional \$50,500 in contract spend under the Claims Print Management Hardware and Software lease agreement with Quadient, for a total approved amount not to exceed \$465,500, as set forth in this Consent Item; and  b) Authorize staff to take any appropriate or necessary action consistent with this Consent Item.
<b>Board Recommendation from Committee</b>	If approved at its June 23, 2022 meeting, the Claims Committee recommends that the Board of Governors:  a) Approve an additional \$50,500 in contract spend under the Claims Print Management Hardware and Software lease agreement with Quadient, for a total approved amount not to exceed \$465,500, as set forth in this Consent Item; and  b) Authorize staff to take any appropriate or necessary action consistent with this Consent Item.
<b>Contacts</b>	Jay Adams, Chief Claims Officer