

CONSENT ITEM

Actuarial and Underwriting Committee Meeting, December 6, 2016
Board of Governors Meeting, December 7, 2016

CONTRACT ID:	Business Process Outsourcing – Insurance Services (Phone Answering) Contracts: 13-12-0023-05, 13-12-0023-06, 13-12-0023-07, 13-12-0023-08, 13-12-0023-09 Amendment #2 to the Contracts
BUDGETED	Yes, funding is including in the Annual Operating Budget. The cost of recommended amendments is with the cost of the approved contract amount.
CONTRACT AMOUNT	\$209,890,721.86 (approved July 27, 2012)
CONTRACT TERM(S)	May 23, 2013 through May 22, 2020 (includes renewal options)
PURPOSE/SCOPE	<p>This Consent Item seeks approval from the Citizens Board of Governors to amend the existing contracts as follows:</p> <ul style="list-style-type: none">• Adding Section 1.8 to Exhibit 1 which details Annual Mock Catastrophe Exercises. Prior to storm season, each vendor that provides First Notice of Loss (FNOL) support must participate in an annual exercise where call volumes are inflated to mimic a catastrophic event. During this exercise, the vendor is evaluated on their preparedness which includes the following:<ul style="list-style-type: none">○ Overall responsiveness throughout the exercise○ Overall quality of the vendor's FNOL training○ Ability to quickly staff to support inflated call volumes while adhering to contractually agreed service levels and quality standards• Additional provisions include the ability for a vendor to be compensated for training at an hourly rate of \$18 per hour with a maximum cap of eight (8) hours per pre-approved resource. Vendor is required to obtain pre-approval before any compensation request.
PROCUREMENT METHOD	Contracts: 13-12-0023-05, 13-12-0023-06, 13-12-0023-07, 13-12-0023-08, 13-12-0023-09 were procured via Invitation to Negotiate No. 12-0023 Contracts approved and the Board's decision posted on July 27, 2012.
RECOMMENDATION	Citizens' staff recommends that Citizens Board of Governors: <ul style="list-style-type: none">a) Approve the contract amendments as set forth in this Business Process Outsourcing – Insurance Services (Phone Answering) Consent item; andb) Authorize staff to take any appropriate or necessary actions consistent with this Consent Item.
CONTACTS	Steve Bitar, Chief of Underwriting and Agency Services