

# CONSENT ITEM

Board of Governors Meeting, September 27, 2017

<b>CONTRACT ID:</b>	<b>Business Process Outsourcing – Insurance Services (Underwriting)</b> <b>Contract No 15-12-0023-11</b> Amendment #2 to the Contract
<b>BUDGETED</b>	Yes, funding is included in the Annual Operating Budget.
<b>CONTRACT AMOUNT</b>	\$209,890,721.86
<b>CONTRACT TERM(S)</b>	The contract has a two (2) year initial base term through August 31, 2017 with a two (2) year renewal term, already executed, through August 31, 2019.
<b>PURPOSE/SCOPE</b>	<p>This Consent item seeks approval from the Citizens Board of Governors to amend the existing contract as follows:</p> <ul style="list-style-type: none"><li>• Proposed Amendment #2 modifies contract 15-12-0023-11 with the MacNeill Group to increase task-based pricing for New Business Automated Underwriting review from \$20.00 to \$27.00.</li><li>• Initial pricing provided at contract execution was an estimate before the Automated Underwriting functionality and workflow was comprehensively defined by Citizens. Now that the workflow for Automated Underwriting has been fully vetted and finalized, the proposed revised pricing represents pricing which is higher than the initial submission due to an overestimate of efficiencies and assumptions.</li><li>• Proposed revised pricing will not increase total approved contract spend.</li><li>• Implement pricing changes as described above to take effect October 1, 2017.</li></ul>
<b>PROCUREMENT METHOD</b>	Contract No 15-12-0023-11 was procured via Invitation to Negotiate No. 12-0023 with contracts approved and the Board's decision posted on July 27, 2012.
<b>RECOMMENDATION</b>	<p>Staff recommends that the Board of Governors:</p> <ol style="list-style-type: none"><li>a) Approve the Business Process Outsourcing – Insurance Services contract amendment to increase task based pricing from \$20.00 to \$27.00 as set forth in this Consent item; and</li><li>b) Authorize staff to take any appropriate or necessary actions consistent with this Consent Item.</li></ol>
<b>CONTACTS</b>	Steve Bitar, Chief of Underwriting and Agency Services