

ACTION ITEM

Actuarial and Underwriting Committee Meeting, March 27, 2018
Board of Governors Meeting, April 11, 2018

CONTRACT ID:	Agency Management System (ITN No.: 17-0023) Recommended Vendors: <ol style="list-style-type: none">1. Vertiba, LLC2. Salesforce.com, Inc. (including its authorized resellers and app providers)3. Jitterbit, Inc.
BUDGETED ITEM	Yes. Funding for this contract is included in the 2018 Annual Operating Budget and will be included in subsequent budgeting years.
CONTRACT AMOUNT	<p>The cost of the contracts for implementation and 10 years of service cost is estimated at and shall not exceed \$11,428,421 broken down as follows:</p> <p>Five (5) Year Base Term:</p> <p>Implementation:</p> <ul style="list-style-type: none">• Vertiba, LLC \$1,469,100• Contingency for change orders(30%) 308,730 <p>Total Cost for Implementation: \$1,777,830</p> <p>Ongoing Support Services:</p> <ul style="list-style-type: none">• Vertiba, LLC \$917,419 <p>Total Cost for Ongoing Support Services: \$917,419</p> <p>Software Licenses and Subscription Services:</p> <ul style="list-style-type: none">• Salesforce.com, Inc. \$2,682,238• Jitterbit, Inc. 492,392• Contingency related to Salesforce subscription 402,336 <p>Total Cost for Software Licenses and Subscription Services: \$3,576,966</p> <p>Total Cost (5 Year Base Term): \$6,272,215</p> <p>Five (5) Year Renewal Term:</p> <p>Ongoing Support Services:</p> <ul style="list-style-type: none">• Vertiba, LLC \$1,063,540 <p>Total Cost for Ongoing Support Services: \$1,063,540</p> <p>Software Licenses and Subscription Services:</p> <ul style="list-style-type: none">• Salesforce.com, Inc. \$3,531,551• Jitterbit, Inc. 561,115 <p>Total Cost for Software Licenses and Subscription Services: \$4,092,666</p> <p>Total Cost (5 Year Renewal Term): \$5,156,206</p> <p>Total Cost (10 Years): <u>\$11,428,421</u></p>

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CONTRACT TERM(S)	The implementation services contract will have a term of one (1) year. Following system implementation, the Ongoing Support and Software Subscription contracts will have an initial term of five (5) years and may be renewed for up to five (5) additional years at Citizens' discretion.
PURPOSE/SCOPE	<p>This Action Item requests Citizens Board of Governors approval to authorize staff to enter into contracts with the vendors identified above to implement, maintain and support an Agency Management System to improve the way Citizens staff manages and transacts business with its authorized insurance agencies and agents in Florida. Citizens currently has over 5,000 authorized agencies and over 7,000 authorized agents.</p> <p>The proposed Agency Management System will be a Software as a Service (SaaS) product with the following functional and technical capabilities:</p> <ul style="list-style-type: none">• Web-based user interface for Citizens staff and Agents;• Online Appointment and confirming licensure of Agents;• Online Management of Agent and Agency appointment statuses;• System of record for all Agency and Agency Staff information; and• Systematic tracking and/or managing of:<ul style="list-style-type: none">○ Commissions○ Performance○ Investigation of Agent and Agency compliance and complaints○ Reporting and analyzing data and Key Performance Indicators (KPIs).○ High levels of data security, reliability, and business continuity. <p>Vertiba's contract will provide sufficient implementation and training services to ensure that the Agency Management System operates as intended. Implementation services include providing a detailed proof of concept, interfaces with multiple internal and external applications and databases, data conversion services, and other services. Vertiba will also provide ongoing support services to ensure that the Salesforce product and interfaces remain operational and will lessen the need for specialized support from Citizens internal staff.</p> <p>Salesforce's contract will allow Citizens to gain access to Salesforce's industry-leading cloud-based management system platform. The Salesforce platform is designed to provide maximum ease of use and flexibility as Citizens needs evolve over time.</p> <p>Jitterbit's contract provides software that will significantly improve the way Salesforce integrates and communicates with Citizens' other information technology systems (such as Guidewire PolicyCenter and BillingCenter).</p>

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	<p>Citizens currently manages it 7,000+ insurance agents through a collection of disparate systems. The proposed Salesforce system will allow Citizens to replace and decommission five (5) of those systems and will bring Citizens in line with current insurance industry standards.</p>
PROCUREMENT METHOD	<p>On October 10, 2017, Citizens issued ITN No.: 17-0023 for an Agency Management System. Seven (7) responses were received and four (4) of those were advanced to on-site product demonstrations and negotiations.</p> <p>On March 26, 2018, the negotiation team recommended an award to Vertiba, LLC. The ITN provided that Citizens may contract directly with any third-parties included as part of a vendor's proposal. Both Salesforce and Jitterbit were included in the Vertiba proposal and have provided acceptable pricing terms.</p>
RECOMMENDATION	<p>Citizens staff recommends the Actuarial and Underwriting Committee approve and recommend that the Board of Governors:</p> <ul style="list-style-type: none">a) Approve the recommended award and resulting contract to the recommended vendors as set forth in this Action Item;b) Authorize staff to take any appropriate or necessary actions consistent with this Action Item;c) Authorize staff to use authorized resellers as determined to be in the best interest of Citizens; andd) Approve contract for Agency Management System not to exceed \$11,428,421.
CONTACTS	<p>Steve Bitar, Chief of Underwriting and Agency Services</p>